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Ford Is Hopeful of Inflation Cuts Early in '75

By Fred Farris

WASHINGTON, Oct. 9 (AP)—Declaring that the United States is in a recession, President Ford said today he hoped the nation would see a "meaningful reduction in the rate of inflation" next year.

He said the government must be "very, very careful" in its fight against it, but that it does not "tighten the screws too tight and us" into a recession. Mr. Ford followed up his economic statement yesterday with an unusual outdoor news conference this afternoon in the White House rose garden under a sparkling autumn sky.

Wearing a "WIN" button—for "Winning Inflation Now"—the President told reporters that it required the full cooperation of the American people and the response by Congress to the 31 specific legislative recommendations he made in yesterday's speech to bring about the hoped-for slowdown in the inflation rate.

If Congress and the people respond, he said, "we can have hope in early 1975 some meaningful reduction in the rate of inflation."

The President's aides have said the fight against the inflation rate, which he said today took 10 years to generate, could take as much as three years.

Today, he said that while there is "no quick fix or immediate panacea in the fight against inflation," if the 31-proposal legislative package he is backing is adopted, "I think we can look forward to some reduction in prices."

Seeks Surcharge Backing
He repeatedly urged support for his proposal yesterday for a 5-per-cent income tax surcharge on corporations and on families with yearly gross incomes above \$15,000 and on individuals making more than \$7,500.

Presumably aware that this recommendation has drawn your reactions from congressmen who face re-election in four weeks, the President stressed that "it will affect only 28 per cent of the taxpayers."

He said he did not expect that the surtax, which he said is needed to help finance unemployment remedies, would have to be extended beyond Dec. 31, 1975. If Congress approves it, it would go into effect next Jan. 1.

Mr. Ford said: "We're in a temporary situation and the surtax on both personal and corporate incomes will provide us with sufficient income to meet the additional expenses for our community improvement program and at the same time help us to fight inflation."

He minimized its pinch on personal incomes by saying that a check this morning showed that a family of four with a \$20,000 gross income next year would have to pay only \$42 more.

Earlier today, the administration was waging a campaign of persuasion, hoping that approval of the surtax would depend on how the voters felt about it. Treasury Secretary William Simon, testifying before the House Ways and Means Committee, was bluntly warned that the administration faced a tough "public relations" job selling the idea to the nation.

The President said at his press conference that he believed the tax surcharge on higher incomes was "more equitable" than a boost in the federal tax on gasoline would have been, since that would have come down harder on people less able to pay.

Asked why he did not propose a check this morning showed that a family of four with a \$20,000 gross income next year would have to pay only \$42 more.



A prospective bettor scans the odds board in a London betting shop on general election.

In 7th Mission to Mideast Kissinger Begins Talks With Sadat

By Bernard Gwertzman

CAIRO, Oct. 9 (NYT)—U.S. Secretary of State Henry Kissinger returned to the Middle East tonight, confident of achieving his goal of an agreement on the timing and format for the next round of Arab-Israeli negotiations.

When his Air Force 707 jet landed at Cairo airport after a 12-hour flight from Washington, Mr. Kissinger drove to President Anwar Sadat's residence in the Giza section of the capital.

There, he gave Mr. Sadat a letter from President Ford. The contents of the letter were not made known. On leaving Mr. Sadat after a 90-minute meeting, Mr. Kissinger said, "I had a very good talk with an old friend and a full review of the situation."

Mr. Kissinger was welcomed at the airport by Foreign Minister Ismail Fahmy. In brief remarks, Mr. Kissinger said, "I am starting this trip to Cairo to talk to my friends, the President and the foreign minister, about what the United States can do to contribute to progress towards peace in the Middle East."

He said that he hoped to make "constructive progress" in the two days here. The Kissinger-Sadat discussions will be continued tomorrow night before Mr. Kissinger leaves Friday for the rest of his trip, which will take him to Syria, Jordan, Israel, Saudi Arabia, Algeria and Morocco in the next week.

Because of the Ramadan religious observances, Mr. Sadat will only do his business at night. During the day he fasts in conformity with Moslem law.

This is Mr. Kissinger's first overseas mission for President Ford, a fact dramatized by the President's coming to Andrews Air Force Base, outside of Washington, just before 1 a.m. to wish Mr. Kissinger well on the trip.

Other members of the Cabinet, including Defense Secretary James Schlesinger, were also there.

Officials in the Kissinger party admitted to newsmen aboard the plane that they were uncertain whether the change in administration would have any impact on the Middle East negotiations. They said in separate conversations that they thought the rapport Mr. Kissinger had built up in his six previous trips—including one with Mr. Nixon—would be maintained.

It is generally agreed by Arabs and Israelis—as well as by Americans—that the next stage in Middle East diplomacy should include provisions for Egyptian-Israeli and Jordanian-Israeli negotiations.

Newsmen were told that Mr. Kissinger was confident that in the seven days he plans to spend in the Middle East, he can work out at least a basic agreement with the diplomats called the "moderates" of the negotiations—the timing, place and format.

Various options have been worked out by Mr. Kissinger and his aides, newsmen were told. At the top of the list would be the visit to Washington of Egyptian and Israeli foreign ministers or subordinates to discuss the next stage in the Sinai settlement with Mr. Kissinger and other officials.

What a military source described as the largest organized attempt to forcibly set up settlements in the region since Israel captured it from Jordan in the 1967 Middle East war occurred as Secretary of State Henry Kissinger was flying to Egypt.

He was scheduled to arrive in Israel from Jordan Saturday night on a trip that, in part, was to include the establishment of procedures for ironing out the territorial dispute between Jerusalem and Amman.

In sweltering heat, soldiers reinforced by helicopter-borne troops moved into at least three West Bank areas where the religious Jews staked out claims. They carried off dozens of passive demonstrators into buses ordered into the region by the army, witnesses said.

Very Few Left
"The whole thing is just about over now," the military source said. He estimated that about 500 settlers bypassed army roadblocks and got into the West Bank. He said that very few were left.

Scattered firefights broke out in some areas, the national radio reported, but military sources and witnesses said that there had been very little violence.

In the Knesset where the opposition Likud bloc criticized the government's recent policy statement on possible territorial concessions to Jordan, Mr. Rabin said that the would-be settlers acted in open defiance of the authorities.

"The state of Israel is a state of law, and it cannot allow anyone to take the law into his own hands," Mr. Rabin said.

Italy source said today that Mr. Sindona's Italian holdings had run up losses to the equivalent of several hundred million dollars. The Banca Privata Italiana lost more than \$200 million in foreign exchange earlier this year.

Banca Unione, founded in 1919 and gradually taken over by Mr. Sindona when he moved to Milan in the early 1960s, took over another Sindona bank, Banca Privata Finanziaria, last Aug. 5.

In his usual fashion, Mr. Sindona never promoted himself beyond the rank of vice-president of the bank. His managing director was Carlo Bonadoni, who was also a key aide when Mr. Sindona was active in Franklin.

The Institute for Religious Works, an investment agency of the Vatican, was also a 10-per-cent shareholder in Banca Unione.

The extent of Mr. Sindona's worldwide interests is vast. Through holding companies in Luxembourg and Liechtenstein, Mr. Sindona controlled real estate, banking and manufacturing concerns in Italy, Canada, Mexico, Liberia and the United States.

But the last of his Italian holdings failed two weeks ago when the key to his former empire, Banca Privata Italiana, was put in liquidation by the government and taken over by three state-run banks.

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Second Election This Year British Voting Today; Labor Leads in Polls

By Alvin Shuster

LONDON, Oct. 9 (NYT)—The British election campaign came to a close tonight, with the ruling Labor party holding a clear lead in the polls although many voters professed to be undecided.

The three-week campaign, the second this year for the British, left Prime Minister Harold Wilson confident that he would achieve what had escaped him in the February voting—an overall majority in the House of Commons. He had headed the first minority government here in more than 40 years.

Conservative party politicians, led by Edward Heath, who was ousted as Prime Minister in February, privately expressed worry about their chances but cautioned that the polls had been wrong before. For the record, Mr. Heath said that he, too, was confident of victory.

"If we're wrong this time, we'll start packing," a pollster said today. "There will be no way to explain it to anyone."

Whatever the strength of the Liberals and the nationalists this time, experts predicted that Labor's commanding lead in the polls should be enough to provide the party with a majority and Prime Minister Wilson with the mandate for moving Britain further left under a program calling for more nationalization of private industry.

The campaign, dominated by the issues of inflation, rising unemployment and the threat of recession, failed to stir many voters. They expressed weariness at two elections in one year and said they found no answers in all the rhetoric to the nation's crucial economic problems.

Several detached experts, including a historian here, called the campaign "irrelevant" because, in their view, the major parties sidestepped the question of just how to solve what all politicians agree is the gravest economic crisis since World War II. And many voters, worried

about an inflation rate now running at 17 per cent, said little emerged in the campaign to restore their faith in the abilities of either of the major parties.

Low Vote Expected
Accordingly, analysts expected the turnout of voters to fall short of the 79 per cent who voted in February. At that time, Mr. Heath went to the country as Prime Minister in the midst of a coal miners' strike, a three-day week for much of British industry and widespread power blackouts.

Throughout this campaign, Mr. Wilson and other Labor party politicians sought to instill fear that a return to Conservative rule would mean another era of industrial strife and dim and cold rooms. They said Labor would bring peace with the unions' rather than confrontation.

Tory party officials acknowledged that "defusing" the mem-

(Continued on Page 2, Col. 6)



Friedrich von Hayek



Gunnar Myrdal

'Pioneering Work' Cited Myrdal and Von Hayek Share '74 Nobel Prize in Economics

STOCKHOLM, Oct. 9 (AP)—Gunnar Myrdal of Sweden, author of a famous study on the American black, and Friedrich von Hayek of Austria today were awarded the 1974 Nobel Prize in Economics.

Myrdal wrote "An American Dilemma—the Negro Problem and Modern Democracy," published in 1944, which stirred controversy. Liberals praised the book as the first probing analysis of the American racial problem. Others accused him of fomenting unrest.

Dr. Myrdal, now 75, also wrote "Asian Drama—an Inquiry Into the Poverty of Nations," published in 1968, in which he questioned the relevance of Western democracy to the problems of Asia.

He has recently been doing research in the United States. Dr. von Hayek of Vienna, also 75, was professor of social science at the University of Chicago from 1950 to 1962.

His books include "Prices and Production," 1931, "The Pure Theory of Capital," 1941, "The Road to Serfdom," 1944, and "The Constitution of Liberty," 1960.

The economists were cited by Sweden's Royal Academy of Science, which awards the economics prize, for "their pioneering work in the theory of money and economic fluctuations and for their penetrating analysis of the interdependence of economic, social and institutional phenomena." They share the prize equally.

The academy pointed out that both Dr. Myrdal and Dr. von Hayek started their careers in the 1920s with significant works in pure economic science and dealing with economic fluctuations and monetary theory.

"Since then both economists have widened their horizons to include broad aspects of social and institutional phenomena," it noted.

It said that the two, "in addition to their contributions to central economic theory, carried out important interdisciplinary research so successfully that their combined contributions should be awarded the prize for economic science."

Dr. Myrdal, a champion in Sweden of the state-planned economy, served two terms in parliament and was minister of commerce during World War II. He became widely known as an opponent of the Vietnam war and in 1970 headed an international commission of inquiry into alleged U.S. war crimes in Indochina.

Dr. von Hayek was professor of economics at the University of London in 1931-1950 before going to Chicago. In 1962 he became professor of economics at the University of Freiburg in Germany.

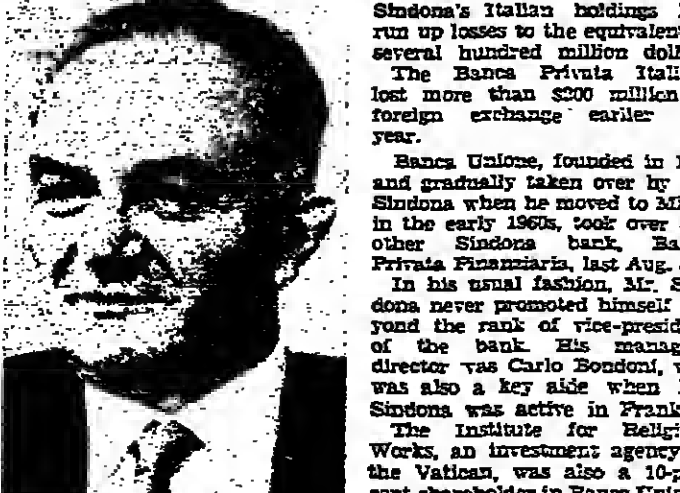
Milan Judge Orders Arrest of Italian Banker Sindona

MILAN, Oct. 9 (AP)—An Italian judge has issued an arrest warrant for Michele Sindona, the bank financier who built a multinational corporate and empire which collapsed last year.

The investigation came to light as U.S. government officials announced that Franklin National Bank of New York had been declared insolvent and its assets sold. Mr. Sindona had a 23-per-cent interest in Franklin New York Corp., which controlled the bank. (Related story on Page 9.)

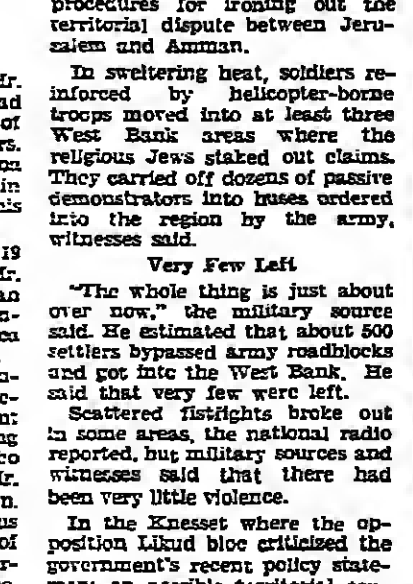
Mr. Sindona, 53, a lawyer, got his start in business selling fruit and vegetables in Sicily from a truck left by the Allied armies in 1943. By last year, he had put together an empire thought to be worth \$450 million to \$500 million.

But the last of his Italian holdings failed two weeks ago when the key to his former empire, Banca Privata Italiana, was put in liquidation by the government and taken over by three state-run banks.



Michele Sindona

The state banks have put up \$5 billion lire (\$7.5 million) each to cover the debts of Banca Privata Italiana, and a Bank of



United Press International

EVICTED—Israeli soldiers carry off one of those who tried illegally to settle in occupied West Bank of Jordan.

Ending Year-Long Rule

Greeks Abolish Martial Law
Except for Area Near Turkey

ATHENS, Oct. 9 (Reuters).—Martial law, which has been in force in Greece since last November, was lifted today except for areas bordering Turkey, the government announced tonight.

The government's press spokesman, Nicholas Linardos, said the decision was taken by a caretaker Cabinet a few hours after it took over from the civilian government which resigned yesterday.

Martial law was imposed in Greece in April, 1967, when the army seized power. It remained in force until August, 1973, when George Papadopoulos, who masterminded the coup, was sworn in as president. It was re-imposed Nov. 17, 1973, following bloody incidents at an Athens university.

Santo Domingo
To Let Guerrillas
Fly to Panama

SANTO DOMINGO, Dominican Republic, Oct. 9 (UPI).—Six guerrillas who held seven hostages in the Venezuelan consulate here for 13 days got the go-ahead today for political asylum in Panama, the Dominican government announced.

The guerrillas were expected to fly out of the country later. The guerrillas posed for passport photographs earlier in the day to prepare for safe conduct abroad. Their seven hostages took their first baths in 13 days in expectation of imminent release.

A Dominican government announcement said Panamanian Ambassador Alejandro Cuelar Arosemena would accompany the guerrillas on a regular Dominican Airline flight with several Dominican guards along to protect the flight crew.

The plane was scheduled to leave between 6 and 7 p.m. Mr. Cuelar Arosemena said Panama had agreed to grant asylum to the guerrillas to help the Dominican government "end this unfortunate case."

Three Children Killed
In W. German Blast

RECKLINGHAUSEN, West Germany, Oct. 9 (UPI).—An explosion in a nursery school killed three children and injured 16 here yesterday, police said.

A police spokesman said workmen were making gas conversions in the basement of the school and that leaking gas probably was the cause of the explosion.

which precipitated a second coup led by Brig. Gen. Dimitrios Ioannidis.

The caretaker Cabinet, under Premier Constantine Caramanlis, will supervise parliamentary elections Nov. 17—the first in a decade.

The main rivals in the elections will be Mr. Caramanlis's New Democratic party and the Center Union-New Forces party led by George Pavlos, who stayed on as Deputy Premier and Foreign Minister in the caretaker government sworn in today.

Cabinet's Chief Tasks
Four other ministers and three under secretaries of the outgoing Cabinet stayed on. The new ministers are technocrats and retired high-ranking civil servants—whose chief tasks will be overseeing the election and handling the Cyprus issue.

The elections will be under a reinforced proportional representation system which favors larger parties.

Other parties contesting the elections are the Panhellenic Socialist Movement under Andreas Papandreu, the United Left which consists of the recently legalized Communist party and various leftist groups, and royalist Nationalist Petros Geronzi's National Democratic Union.

Ethiopian Army
Seizes 21 in Plot

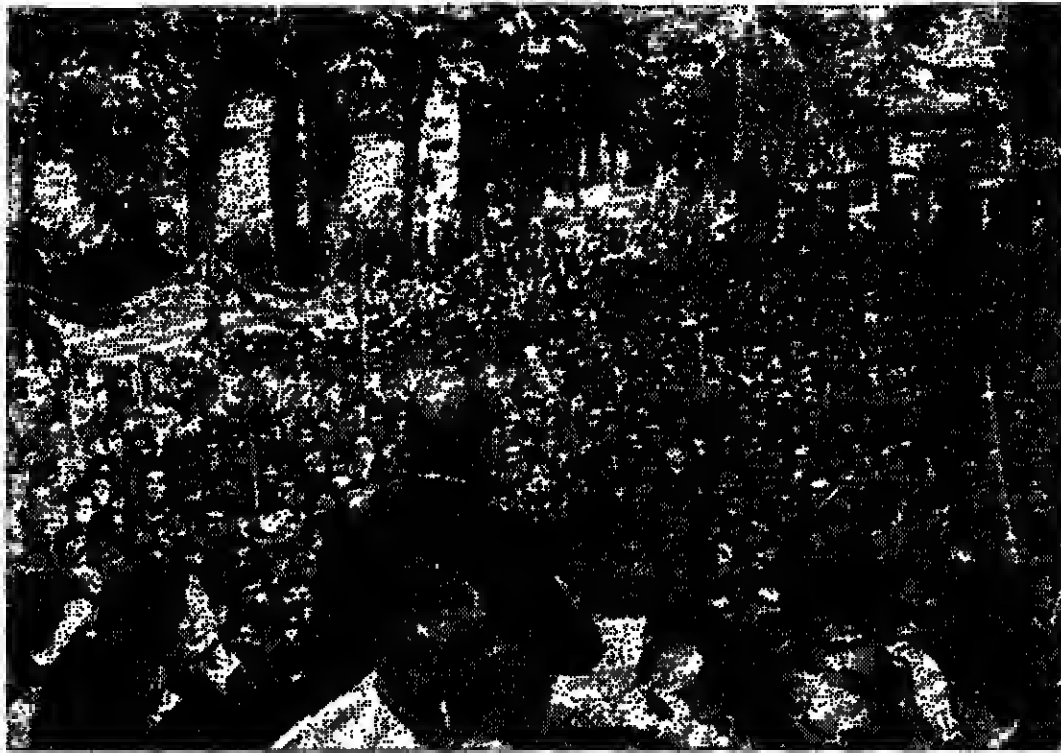
ADDIS ABABA, Oct. 9 (UPI).—Another 21 persons have been arrested on charges of plotting the destruction of the military movement, the Provisional Military Council said today in an official statement.

Those arrested include the former president of the lower house of parliament, four ministers of state, a Marxist lecturer at Addis Ababa University, an Ethiopian official at the Organization of African Unity headquarters and several wives and relatives of the nearly 200 officials already detained by the army.

This is the largest number of arrests made in a single day since the wave of detentions began about four months ago.

Plunge Causes Crash

VALENCE, France, Oct. 9 (Reuters).—A 61-year-old man today plunged to his death from an airplane onto an auto race track and caused a pile-up in which another person was killed and three injured, police said.



GATHERED IN ANGER—Raffaele Vanni, secretary of the Union of Italian Labor, addresses Fiat workers in Turin during a protest strike against reducing the work week.

Bid to Form New Italian Coalition

Leone Extends Talks on Political Crisis

ROME, Oct. 9 (UPI).—President Giovanni Leone today extended formal consultations with party leaders through tomorrow in an effort to resolve Italy's week-old political crisis. The talks had been scheduled to last three days, ending today.

Politicians predicted he would name a fact-finder, possibly Senate President Giovanni Spadolini, to explore the chances of patching up the center-left alignment of Christian Democrats, Socialists and Social Democrats which has ruled Italy since 1963.

If the fact-finder reports that the prospects are good, politicians said, Mr. Leone probably would name Amintore Fanfani, the secretary of the Christian Democratic party and a four-time premier, to try to form another center-left government.

Meanwhile, in Turin, auto workers battled strike breakers at Fiat. Workers called a four-hour strike to protest Fiat president Giovanni Agnelli's decision to reduce the work week to 24 hours for about 70,000 employees. When some workers tried to cross picket lines, fights broke out in which 24 persons were injured.

Fiat said later that 41 per cent of the workers showed up despite the strike. Italy's three top labor unions said they would increase strike action and possibly call a nationwide general strike unless Fiat reconsidered its action. Fiat has said the action is necessary because it has stocks of 300,000 unsold cars.

The main problem that will face Mr. Leone's premier-designate will be the reuniting of the Socialist party with the Social Democratic party in a coalition.

The crisis was precipitated by Social Democratic charges that the Socialists were advocating closer cooperation with the Communists and trying to gradually draw them into government. On Oct. 3, Premier Mariano Rumor, a Christian Democrat, resigned after the coalition had ruled for 265 days.

However, neither the Socialists nor the Communists themselves have openly called for Communist participation in the government during the current consultations. The Communist party, Italy's second largest, has not held a share of government power since 1947.

U.S. Acts to End
Car Seat-Belt Lock

WASHINGTON, Oct. 9 (AP).—Congressional conferees have voted to allow elimination of the auto interlock system from American cars that prevents them from being started until seat belts are fastened.

Under an agreement announced Monday an eight-second warning buzzer would be retained to tell drivers and passengers when seat belts are not fastened. But the continuous buzzer now in use on most late-model cars would be dropped. The agreement now goes to both houses.

have openly called for Communist participation in the government during the current consultations. The Communist party, Italy's second largest, has not held a share of government power since 1947.

5 Held in Fists
ROME, Oct. 9 (UPI).—Police arrested five extremists of the right and left today on charges of plotting to overthrow the state. They said the rightists had planned to assassinate two cabinet ministers and other politicians.

The Interior Ministry said police in various cities arrested lawyer Leopoldo Pirelli, 42, physician Giacomo Micalello, 46, and merchant Mario Scialoja, 52, on charges of plotting the assassination of political enemies in hopes of touching off violence and a military coup.

The plans for physical elimination of some well-known political and labor leaders were aimed, among other things, against two incumbent ministers, the ministry said. It did not name them. In separate action, police in Turin and Cernobbio arrested two alleged leaders of the Red Brigades urban guerrilla organization: Enrico Levati, 29, a doctor, and Giovanni Battista Lagana, 51, a lawyer. They were charged with belonging to an armed subversive organization.

Israel Halts
Settling Bid

(Continued from Page 1)
most widespread and most organized attempt," the source said. There are 15 authorized settlements in the West Bank, including the largest at Kiryat Arba outside Hebron, with about 3,000 Jewish residents, according to the West Bank military government.

A spokesman for the squatters told the radio that despite the political issues surrounding the West Bank, the attempt to establish settlement "is a burning expression of the fact that the people of Israel have their own entity and all of the historic land of Israel belongs to the people of Israel."

About 500 persons in two different groups, one near Latrun and another in Jerusalem, demonstrated against the squatters. Another group of about 200 demonstrated in their favor outside the Knesset.

At Kharbat, witnesses said that soldiers struggled with warring demonstrators to carry them down from a sandy ridge to waiting buses as about 100 Arabs from the area, mostly children, watched. It took two hours to evict the squatters, witnesses said.

Troops and police at roadblocks at the entrance to the West Bank barred entry to local and foreign newsmen although the journalists saw automobiles passing through freely.

Hungry Not Avid
To Hear Gospel,
Synod Is Told

VATICAN CITY, Oct. 9 (UPI).—The archbishop of New Delhi yesterday reminded the World Synod of Bishops that hungry persons are not eager to hear the word of God.

"You cannot preach spirituality to an empty stomach," the Most Rev. Angelo Fernandez said. "We cannot limit ourselves just to the word. The word is Christ and Christ is life. Nothing is outside Christ."

Archbishop Fernandez linked human and spiritual needs during a news conference at which he criticized the absence of a "positive thrust" in the theological section of the working paper on the synod's theme of evangelization in the modern world.

The meeting of the 200 bishops from around the globe, which will continue until the end of the month, today took up the topic of theology's role in Catholic evangelization.

"The church, as sign and symbol of intimate union of men with God and of the unity of the human race does not stand out to advantage. The old ecclesiology rears its head again," the archbishop said in criticizing the paper.

Political Motivation Seen in 'Hard Line'

Europe Cautious on U.S. Oil Stand

By Terry Robards

LONDON, Oct. 9 (NYT).—Western Europe has adopted an extremely cautious stance in reaction to a new and harder line on oil policy expressed in recent speeches by President Ford and Secretary of State Henry Kissinger.

While not openly disagreeing with the apparent toughening of the American position, government sources and diplomats in most Western European countries were reluctant to offer any endorsement. Some said they were not inclined to interpret the remarks of the American officials as a change in attitude.

Others said that they would be loath to adopt any public posture that might jeopardize their relations with the oil-producing nations at a time when they depend on those nations for most of their energy supply.

Recession Threat

The President and Mr. Kissinger said in separate speeches two weeks ago that the high oil prices set by the producer countries threatened a world recession. They also suggested that world safety and order had been jeopardized by the quadrupling of oil prices in the last year.

The remarks of the President, made at the ninth World Energy Conference in Detroit, and those of Mr. Kissinger, at the United Nations, have been widely interpreted as a hardening of the official United States position on oil.

Some observers have suggested that the American "tough talk" implied that oil-consuming countries should consider military intervention to bring down oil prices and assure continuing supplies.

European government officials interviewed by correspondents of The New York Times were inclined to discount the Ford and Kissinger statements as having been motivated by political considerations, not by any firm conviction that a policy change was needed.

A top government spokesman in West Germany said: "For us and the other Europeans, at this point it makes little sense to create the impression that a confrontation policy is what is going to result from the Washington conference." He said that a great power like the United States can talk tough, but it's not our impression that Kissinger wanted a confrontation. I think we were all agreed that confrontation is not desirable.

French sources noted that more than 40 per cent of France's oil comes from Algeria, and Libya, 15 per cent from Iraq and Saudi Arabia, and 28 per cent from Persian Gulf producers. The official position is that if higher prices threaten a world recession, the West and the oil producers should try to find a reasonable solution together.

"If we are facing doom," said a high official, "then this is something we'd better talk about with the Arabs. They have as much a stake as we in trying to prevent catastrophe."

A Swiss official, noting that his country had not been involved in any of the Washington talks, commented tersely: "Public statements are not policy." Another Swiss official said that "intimidation is never an acceptable basis for cooperation."

A source in Brussels observed that all the European countries were generally much more de-

pendent on oil imports than the United States and therefore would be unlikely to endorse formally any American position that might once more jeopardize oil supplies.

Following his visit to the United States last week, President Giovanni Leone of Italy said at a news conference: "We mentioned our worries and we said we'd give our whole cooperation in the development of a dialogue with the Arab world. Our entire policy is in that direction." He is scheduled to visit Iran, Saudi Arabia and Egypt next month.

A Common Market official reached in Rome, said that "more attitudes that are inimical to more dangerous for Europe to take than for the U.S.A. or the U.S.S.R."

Denis Healey, the British Chancellor of the Exchequer, secretary of the European Community, said that the United States policy on oil last year when he suggested that the oil was far less wasteful of energy than the United States was not in a position to curtail his consumption to force oil prices down.

Eberle Assures EEC That U.S.
Does Not Plan Trade Controls

By David Haworth

BRUSSELS, Oct. 9 (UPI).—William Eberle, the President's special trade representative, today assured the European Economic Community that the United States does not intend to introduce any export or import controls in the wake of the anti-inflation packages President Ford announced to Congress yesterday.

But Mr. Eberle made it clear in talks with European Commission President Francois-Xavier Ortoli and several other commissioners that the United States expects the EEC to return to introduce a voluntary import limitation scheme—particularly of animal feed grains.

"We want to see an open market," Mr. Eberle said, "not one in which the principle of beggar my neighbor operates." He added that it is still the United States view that general restrictions on exports will not be necessary.

Although there has so far been no official EEC reaction to Mr. Eberle's visit, it is clear he leaves a slightly skeptical attitude behind him. There is anxiety here, reflecting recent comments by West German Chancellor Helmut Schmidt, that the U.S. anti-inflation program could have serious effects on European economies.

Allaying Fears

The purpose of Mr. Eberle's world trip, which culminates in Japan, is to allay such fears. He pointed out that although there have been cuts in federal spending, the U.S. budget is still 12 per cent higher than in 1973. He told a press conference that the U.S. purpose is to achieve "neutral growth," not to deflate. President Ford's package was, he

said, "neutral to positive." He stressed that it was essential for the United States to have some latitude in putting its own economic house in order, because a failure to do so would have extremely severe consequences for the world's economy.

Mr. Eberle said the President's new measures would reinstate the U.S. economy and lead to an increase in U.S. imports. On exports he said that the volume monitoring system introduced last week would be sufficient to supervise the export of grains, although the U.S. harvest is going to be as large as hoped.

Mr. Eberle also expressed optimism about the trade bill, which on which, he said, the United States cannot participate in the proposed worldwide trade-liberalization talks. Despite rumors in Washington that the bill might be killed, the trade representative said he expected congressional action on it when Congress resumes next month.

Ford Urges
Effort to Cut
Inflation Rate

(Continued from Page 1)

mandatory gasoline rationing. Mr. Ford noted that last year American people "in a greater crisis—the oil embargo—responded very well."

"I don't think we have to put a tax on gasoline users to achieve our objective. If we can do it by volunteer action, I think it is preferable and more in the traditions of the American system."

While many economists believe the economy now is in a recession since the gross national product has shown no growth in the last six months, Mr. Ford asserted, "I don't think the United States is in a recession. We do have an economic problem but it is a very mixed situation."

Leading administration spokesmen were on Capitol Hill today to urge congressional approval of the President's economic program, with Treasury Secretary Simon being bluntly told by constituents that they do not want the 5-per-cent income surtax during the next few weeks, when Congress is in a pre-election recess.

The senior Republican on the House Ways and Means Committee, Rep. Herman Schneebeli, of Pennsylvania, told the secretary: "I think the fate of the surtax rests on the American public and what they tell us when we go home."

He said he hoped the people accept the tax, but added, "The White House and your office have a big selling job to do. . . . You better get your public relations forces going quickly."

Mr. Simon responded, "I know it will be tough."

On other subjects, Mr. Ford: • Deferred any comment on his uncodified pardon for Mr. Nixon until after his appearance Oct. 17 before a House Judiciary subcommittee looking into the matter.

• Recalled, in response to a question on whether he had changed his mind about running for re-election in 1976, that his original words had been "I probably would be a candidate," and added: "I have seen nothing to change that situation."

Protestant Unit
In Belfast Ends
Its Cease-Fire

BELFAST, Oct. 9 (UPI).—Protestant gunmen blamed in the past for random killings of Roman Catholics, said today they have canceled a self-imposed cease-fire and resumed their campaign, police announced.

A police official said the outlawed Ulster Freedom Fighters, in a telephone call to a Belfast police station today, claimed responsibility for the shootings of three Catholics in two incidents yesterday. "You can expect more of this," a police official quoted the caller as saying.

He said the caller said the wounding of the Catholics in South Belfast was in revenge for two bomb blasts that killed five persons in two pubs at Guildford, south of London, over the weekend.

Militant Northern Ireland Protestants blamed the Provisional Wing of the IRA for the five deaths, four of them military personnel.

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'Respect the Law'

Ford, Critic of School Busing, Asks End to Boston Violence

WASHINGTON, Oct. 9 (AP).—President Ford declared his opposition today to forced busing of schoolchildren but called on citizens of Boston to "respect the law" and end racial conflict there.

Responding to a news conference question, Mr. Ford said he hoped it would not be necessary to send federal forces to Boston, where court-ordered busing to achieve integration had triggered protests and violence.

Mr. Ford said he thought the court decision in the Boston case

"was not the best solution to quality education." The President said: "I respectfully disagree with the order."

But, he said, it is of "maximum importance" that the law be obeyed and that the violence, which he called "most unfortunate," be halted.

Marshals I 'need'

Meanwhile, a federal judge in Boston refused to call in federal marshals today to quell disturbances and instead ordered Mayor Kevin White to summon police from surrounding areas to do the job.

Federal marshals have not been used to enforce school desegregation outside the South.

U.S. District Court Judge Arthur Garrity said that Mr. White should ask the governor to call up the National Guard if calling in the extra police does not work.

During court arguments, Judge Garrity acknowledged that public safety problems have "multiplied" in the past few days. But he said "these events to me have been not too directly related to school."

He said violence in the city has been "in retaliation against the police for protecting the children."

Tactical police were sent today to a section of largely black Roxbury to quell a disturbance. The mayor's office said about 300 black youths roamed a three-block area.

A white man was stabbed, the office said, and was taken to Boston City Hospital. His condition was not disclosed.

Widespread violence erupted yesterday for the first time in Roxbury. At least 37 persons, most of them white, were hurt by rock-throwing crowds near English High School.

The most seriously injured, a 50-year-old white taxi driver, remained in stable condition today with two broken legs and back and internal injuries.

Judge Garrity had ordered cross-town busing of 18,200 black and white pupils to begin when Boston schools opened Sept. 12. Since then, racial violence has been common in South Boston to other neighborhoods.



Mayor Kevin White of Boston seems dejected during a news conference.

Senate Allows Suspension After Voting Turkey Aid Ban

WASHINGTON, Oct. 9 (AP).—The Senate voted overwhelmingly today to cut off military aid to Turkey, then agreed to allow President Ford to suspend the ban until Dec. 15.

The aid cutoff was passed 62-16 as a rider to a money bill threatened with a presidential veto.

Senate Majority Leader Mike Mansfield, D-Mont., then called for a separate vote on his resolution to suspend the ban until Dec. 15 if the President determined it would further negotiations for a peaceful settlement of the Cyprus dispute. It was passed 40-35 and sent to the House.

Sen. Mansfield said he drafted the resolution without consulting administration officials, but President Ford subsequently told him he would sign the "continuing resolution" containing the aid cutoff if the permission to temporarily suspend restrictions is passed by both houses of Congress.

Sen. Mansfield told the Senate that the "next several weeks could

be critical" in getting Greece, Turkey and Cyprus to the bargaining table, and the United States might be helped.

Congress Supreme

Sen. Mansfield said administration officials recognize that American foreign aid law requires a cutoff of aid to Turkey for using U.S. equipment in the July invasion and partial occupation of Cyprus.

He said the suspension by Congress would be consistent with the position that Congress is supreme in changing the law.

Sen. Thomas Eagleton, D-Mo., opposed the Mansfield resolution, asserting that the United States is "tilting toward Turkey" in the Cyprus dispute and that between now and Dec. 15 the United States could move "mountains of military equipment" to resupply the Turks and help them to remain in Cyprus.

The 62-16 Senate vote on the Turkish aid cutoff in the money bill put both branches of Congress on record for aid suspension by majorities substantially more than the two-thirds required to override a veto.

Kissinger Stand

Declaring that a cutoff now would undermine his bargaining position, Secretary of State Henry Kissinger has declined to stop weapons aid to Turkey, running at the rate of \$167 million in fiscal 1974 and \$205 million in fiscal 1975.

The amendment sent to the House today was added to an emergency financing resolution to provide basic operating funds to several departments and agencies whose regular appropriations bills have not yet been passed.

Existing financing for these agencies expired Sept. 30 and technically they have been without funds since then. However, they will not begin feeling the pinch until around Oct. 15.

U.S. to Discharge Its Last Draftees

WASHINGTON, Oct. 9 (AP).—The Army announced today that it will discharge its last 2,500 draftees before Thanksgiving. Some draftees could have remained in uniform until as late as June 30.

The Army said the action is possible because of what is called its "success in recruiting a volunteer force." Authority to draft men into the armed forces died on June 30, 1973.

The Army had 96,000 draftees on its rolls when the last monthly draft call was issued in December, 1972. A few more men, whose deferments had run out, were inducted during the remaining six months before draft authority expired.

Spanish Strikes Keep Spreading, Idling Thousands

MADRID, Oct. 9 (AP).—New labor troubles erupted across Spain today, idling thousands of workers and threatening to bring on new industrial strikes.

In Barcelona, an estimated 3,000 workers were idle at SEAT, the leading Spanish automobile firm. Tension was reported high after the arrest on Friday of 47 workers, most of them SEAT employees, who tried to hold a labor meeting.

The typewriter firm of Hispano Olivetti suspended all 2,500 workers from jobs and pay at its Barcelona plant after a strike. Police chased workers from the plant.

Strikes also were reported in at least 10 other small factories in the Barcelona area. The issue in most cases was a new labor contract.

In Valladolid, a strike by workers at the FASA-Renault automobile company was reported officially ended when workers entered the plant yesterday. But labor sources reported that an estimated 2,000 assembly workers refused to work.

27 Safe in Swedish Crash

STOCKHOLM, Oct. 9 (UPI).—A Swedish Air Force DC-3 transport plane today crash-landed with 27 persons aboard outside Nyköping, about 100 kilometers southwest of here. A military spokesman said nobody was seriously injured.



SURROUNDED BY EVIDENCE—Boston policeman Roger Delima holds in his injured hand the rock that smashed the window next to him in the police van during racial-integration disturbances at a Boston high school.

News Analysis

Impact on Economy Seen As Slight in Ford Program

By Edwin L. Dale Jr.

WASHINGTON, Oct. 9 (NYT).—President Ford's new economic program would make a modest difference to most taxpayers, a potentially significant difference to workers who have lost their jobs and have no unemployment compensation—but, according to analysts, make little difference to the current problems of the national economy, including inflation.

By dollar measure in the \$14.1-trillion U.S. economy with a \$300-billion federal budget, the program is small. It would shift the tax burden slightly from lower to higher income groups, but would not either stimulate or restrain the economy now. It would create a modest stimulus through unemployment benefits if unemployment rose nationally about 6 per cent and stayed there. It would give a small boost to the depressed housing industry.

As for inflation, the program contains little that is new. The budget will be held, if Congress cooperates, to \$300 billion. The new Council on Wage and Price Stability will "monitor" wage and price behavior and hold public hearings. Yet another commission will be appointed to examine government regulatory practices with no prospect for early action.

Most of the effect the President's program would have—apart from his appeal to the public to save food and gasoline—depends upon concurrence by Congress, which is anything but assured. The situation is markedly different from that of Aug. 15, 1971, when the only action required of Congress in President Nixon's program of controls, devaluation of the dollar and economic stimulus was tax reduction.

This time it is highly possible that Congress will cut taxes more than the President wants, raise either taxes less than he wants and enact a more liberal program of unemployment assistance than he has asked, all of which would enlarge the budget deficit. And thus he could wind up vetoing his own program as inflationary.

As for the energy part of the program, much of it has been around for a long time and the same controversies still exist. The

most dramatic item—switching all electric power plants to fuel sources other than oil—has importance in the long run but has little to do with immediate problems.

But for the future the President's program could have real meaning. A permanent increase in the business investment tax credit—to remain after a one-year tax surcharge on corporate profits expires—should add to plant and equipment and hence to total supply in the economy. The problem of the public utilities would be eased somewhat by both an increase for them, from 4 to 10 per cent in the investment tax credit, and a wholly new proposal for corporations to deduct dividends on preferred stock.

But while Mr. Ford called his program a "grand design," and said "past and present efforts" of the government to help the economy do not "back the punch that will turn America's economy," the doubters were wondering how much wallop there was in the new program.

The chief test was in dollars. The President himself said that the \$3 billion he would raise from a new, one-year income tax surcharge "should pay for all the new program (including some tax reduction) I have recommended in this message."

Shuffling \$3 billion around in this huge economy cannot, by itself, have a major impact. And the congressional uncertainties compound the problem. As an example, the House Ways and Means Committee yesterday approved a \$1.7-billion tax reduction for persons with savings accounts—enough by itself to throw what the President called his "considered package" out of whack.

The President took office exactly two months ago yesterday and his very first act after a brief speech at his swearing-in was to meet his economic advisers. His quest for economic solutions—which included many more such meetings plus a lengthy "summit" process of consultation with top private sector leaders—has been bedeviled from the outset by the inherent dilemmas in the situation.

Anything done to head off the unemployment problem would probably increase the budget deficit and exacerbate the inflation problem. Anything done to help housing would involve direct, or indirectly, more borrowing in the capital markets and thus more upward pressure on interest rates. Tax relief for low and moderate income families—unless offset by popular tax increases—spending cuts—would add to the budget deficit.

Washington, Oct. 9 (AP).—President Ford's appearance before a House Judiciary subcommittee to explain why he pardoned Richard Nixon was postponed yesterday until a week from Thursday "to afford ample time for selection and sequestration of the Watergate jury."

Chairman William Hungate, D-Mo., issued a brief announcement saying his subcommittee had made that decision with the concurrence of the White House and that Mr. Ford would appear before the subcommittee Oct. 17.

Rep. Hungate said he talked with Judge John Sirica Monday, but not since then. Judge Sirica is presiding over the Watergate cover-up trial, which now is in the jury-selection stage. "We inquired at the courthouses if they had a jury," the congressman said. "They said they didn't."

He declined to identify the person to whom he had talked.

Brezhnev Back Home
MOSCOW, Oct. 9 (UPI).—Leonid Brezhnev, general secretary of the Communist party, returned from East Berlin where he attended East Germany's 25th anniversary celebrations, Tass said.

Senate Unit Wants Rockefeller to Explain Gifts

By William Greider

WASHINGTON, Oct. 9 (WP).—The Senate Rules Committee asked Nelson Rockefeller today to give a "full explanation" of private gifts to public figures.

The committee's chairman, Howard Cannon, D-Nev., said the vice-presidential nominee pledged to provide the explanation "as soon as possible."

In recent days, there have been reports that over the years Mr. Rockefeller and his family have given gifts to many politicians, including \$100,000 to the campaigns of Senate and House members eligible to vote on his nomination.

In a press conference today, President Ford said that he would inquire into the various gifts to public officials given by Mr. Rockefeller, but expressed the conviction that "no impropriety" was involved.

"Solved Satisfactorily"

The President said that he had only looked in depth into one of the gifts, that of \$50,000 to Secretary of State Henry Kissinger in 1969, and he found that "every tax that could be applied has been paid" and that "all legal problems were solved satisfactorily."

He urged that the matter be put in proper perspective, adding that the former New York governor was "very wealthy and extremely generous to many charities."

Sen. Cannon had said previously that he wanted to know more about the Rockefeller gifts, particularly one of \$48,000 to Judge Maurice, former GOP state chairman in New York who was convicted of bribery and subsequently was pardoned by Mr. Rockefeller as governor.

"I don't know whether there's a good explanation for the gifts or not," Sen. Cannon told reporters after a short committee meeting today. "I must say I have some question in my mind or I wouldn't have asked for a full explanation."

The chairman said he did not construe the gifts as amounting to conflict of interest but added, "They do raise the question of influence of wealth in a political system of government."

Sen. Cannon said he talked with Mr. Rockefeller by telephone "and he assured me he would respond fully as soon as possible."

In New York, Mr. Rockefeller's press secretary, Hugh Morrow, said: "We hope to have it delivered to Sen. Cannon Thursday. It will be a full and complete explanation. There's no problem at all with it as far as we're concerned."

Sen. Cannon said his committee will meet after the pre-election congressional recess to weigh Mr. Rockefeller's reply on the gifts. At the same time, the panel will consider the official

audit of Mr. Rockefeller's income tax returns.

Sen. Cannon said the committee cannot make a decision until mid-November on whether to recall Mr. Rockefeller to answer questions about the gifts.

'Substantial Gift'

Yesterday, referring to the gift to Mr. Morrow, Sen. Cannon said, "I was a little surprised to see a substantial gift to a fellow who was convicted of a felony. I wouldn't say it's disqualifying but I want to know more about it and go into it thoroughly."

Meanwhile, a congressman looking into Mr. Rockefeller's financial affairs said Mr. Rockefeller's gifts to his associates "raise serious questions about propriety and conflicts of interest."

Rep. Edward Markey, D-Iowa, a member of the House Judiciary Committee which will hold hearings on the nomination next month, called on Mr. Rockefeller "to disclose publicly every gift he has made in his lifetime, as well as all the loans" outstanding or written off.

In a letter to Sen. Cannon, Sen. Jesse Helms, R-N.C., raised "a question of conflict of interest" about another Rockefeller gift of more than \$500,000 to William

Ronan, former adviser to the governor and former chairman of the Metropolitan Transit Authority in New York.

A Rockefeller spokesman confirmed the Ronan gift Tuesday and said that it totaled \$550,000. Adding on what Mr. Rockefeller had to pay in federal and state gift taxes, the gesture cost him a total of \$880,000, according to Mr. Morrow.

Mr. Morrow said that the gift to Mr. Ronan, who served with Mr. Rockefeller for more than 18 years, "could be related to the year-end bonus given to executives of large corporations."

Sen. Helms has referred to an occasion when Mr. Rockefeller, as governor of New York, negotiated the retirement of Triborough Bridge Authority bonds with his brother, David, who is president of the Chase Manhattan Bank. Mr. Ronan participated.

The episode was first described in "The Power Broker," a new biography of Robert Moses by former Newsday reporter Robert Caro. Sen. Helms wrote to Sen. Cannon:

"If the incidents are correct as reported (in the book), then a question of conflict of interest arises. Even if the description in every detail, the question of personal gifts to... Ronan and to other political figures raises a grave question of propriety."

On the Rockefeller gift to Mr. Kissinger, Sen. Helms told the Senate: "Even if it is legal, there is a question of whether or not it is proper to induce a sense of substantial obligation in a man who is about to become a senior public official."

Envoy Bid on Flanigan Seen Expiring in Congress Recess

By Laurence Stern

WASHINGTON, Oct. 9 (WP).—The controversial nomination of former White House aide Peter Flanigan as ambassador to Spain is likely to expire when Congress begins its scheduled recess Friday.

Because of strong reservations about the nomination within the Senate Foreign Relations Committee and the tightness of the congressional timetable, President Ford may have to renominate Mr. Flanigan after next month's elections if he still wants him to take the Madrid post.

The Senate committee agreed today not to act on the nomination until further hearings were held. The committee chairman, Sen. William Fulbright, D-Ark., said: "The general opinion was that we needed further hearings."

Members of the Foreign Relations Committee have asked for more testimony on the former White House adviser's alleged role in the sale of ambassadorships, the International Telephone and Telegraph Corp. anti-trust case, the 1970 Samsonea shipping deal and other matters raised at his confirmation hearing last week.

Unless the committee acts on the nomination before the recess this weekend, it is virtually certain that the nomination will expire.

Opposition Voiced

Expiration would result because of the announced intention of the Senate Democratic whip, Robert Byrd of West Virginia, to oppose any unanimous-consent move to let the nomination remain standing during the 33-day recess. Nominations pending during a recess of more than 30 days, under Senate rules, expire unless an exception is made by unanimous consent.

Members of the committee have specifically expressed an interest in the testimony of Herbert

Kalmbach, the former personal attorney to former President Richard Nixon, and a former senator from Maryland, Joseph Tydings.

Mr. Tydings's testimony would concern the Samsonea case, and Kalmbach, who is serving a prison sentence, has implicated Mr. Flanigan in a plot to sell an ambassadorial post to Ruth Parks, since appointed U.S. envoy to Luxembourg.

The Samsonea was a ship in which Mr. Flanigan had held a financial interest. He was accused of—and denied—interceding to get a valuable Treasury Department ruling permitting the foreign-flag vessel to engage in domestic commerce.

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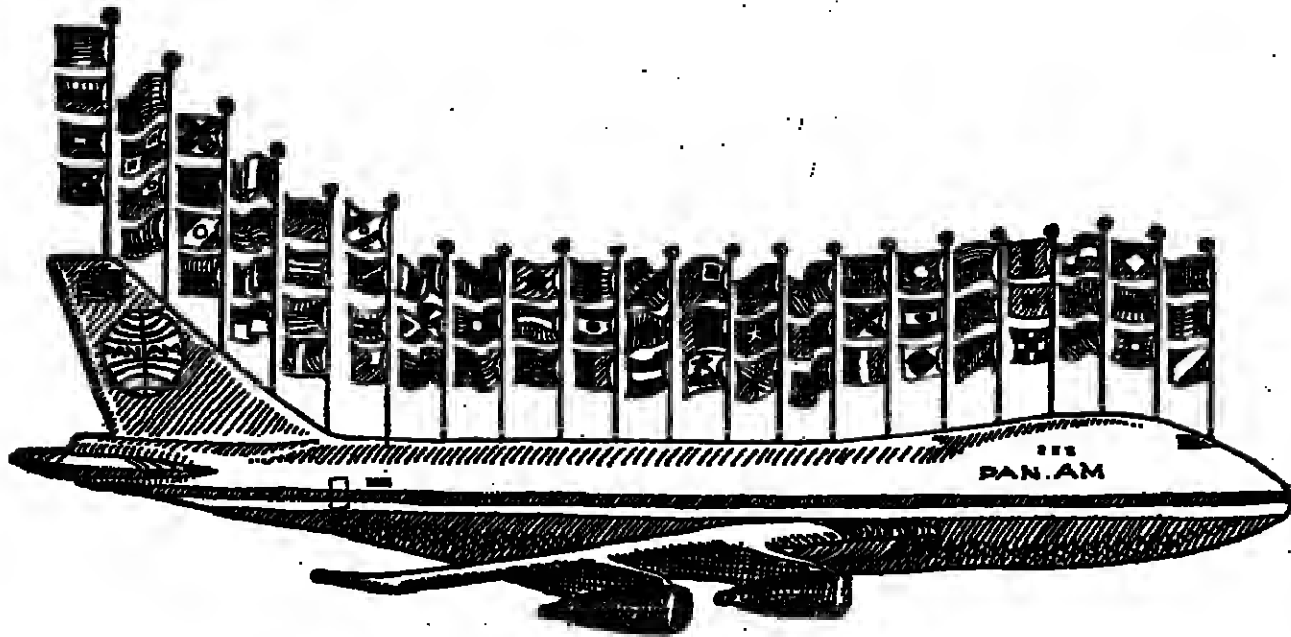
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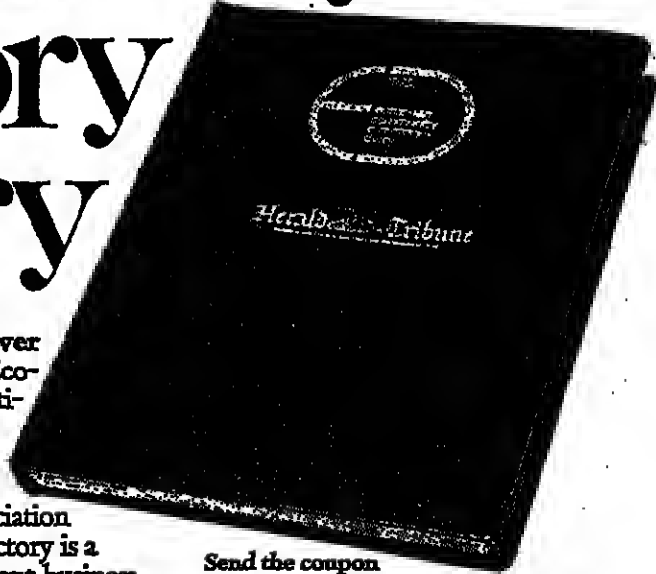
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Henry J. Cadbury

Dies; Founder of Quaker Aid Unit

PHILADELPHIA, Oct. 9 (AP).—Dr. Henry Joel Cadbury, 90, a well-known Bible scholar and humanitarian who accepted the Nobel Peace Prize in borrowed clothes, died Monday.

Dr. Cadbury, a Quaker educator, was founder of the American Friends Service Committee, which won the Nobel Peace Prize in 1947 jointly with the Friends Service Council of London. He had created the American committee in 1917.

He recalled that many groups disapproved of the selection of the Quaker organizations for the award.

"The great powers thought the award should have gone to someone who fought for peace—Churchill, Roosevelt, Stalin—rather than to those who merely practiced it," he said at the time. When Dr. Cadbury traveled to Europe to receive the award on behalf of his committee, he was wearing a used tuxedo.

"The AFSC had been receiving such (funds) from people to whom they are often white elephants and finding use for them among waiters and musicians in Europe," Dr. Cadbury said at the time. "So instead of buying one, I appealed to our storehouse, which at once supplied one of excellent fit and condition."

An outspoken humanitarian, he organized the feeding of an estimated million children a day in Germany after World War I. In 1941 he promoted a never-realized plan for relief of hunger in Europe.

Dr. Cadbury, who once described himself as a "confused Quaker," headed the AFSC periodically until 1960, when he retired and was named honorary chairman.

Kenneth Leslie

HALIFAX, Nova Scotia, Oct. 9 (AP).—Kenneth Leslie, 81, whose poetry reflected his life in rural Nova Scotia and won him the 1938 Governor-General's Medal, died here Monday.

Isaak Semenovich Bruk MOSCOW, Oct. 9 (UPI).—A leading Soviet computer scientist, Isaak Semenovich Bruk, 72, died, the government newspaper Izvestia said today.

Senate Passes Vote Reform; House Approval Seen Today

WASHINGTON, Oct. 9 (WP).—The most comprehensive election financing reform in the nation's history swept through the Senate yesterday on a 60-to-16 vote and headed for almost certain House approval.

The House, which had planned to take up the measure today, postponed consideration until tomorrow because of a shortage of printed reports on the bill.

Senate Minority Leader Hugh Scott, R-Pa., a sponsor, said, "I feel quite sure the President will sign the bill."

The measure, the product of nearly two years of work, was spurred to final passage by the Watergate scandal and revelations of 1972 election fund-raising abuses. Its objective is to stifle the influence of big labor and business contributions who expect political favors in return for their contributions to political candidates.

Proposal Rejected Before final action, the Senate rejected, 61 to 16, a move by Sen. James Buckley, Conservative-Republican of New York, to send the bill back to conference to write in a provision allowing challenges in federal campaigns to spend 30 per cent more than allowed to incumbents. He said low spending ceilings reduced the "unprecedented cynicism" of provisions designed to make it impossible for a little-known challenger to oust an incumbent.

The bill puts a \$30-million spending limit on the presidential candidate of any major party, a \$70,000 limit on spending by a House candidate, and corresponding Senate limits based on population. It also limits to \$1,000 the amount any individual may contribute to the campaign of any candidate for federal office, and to \$5,000 the amount any organization may contribute.

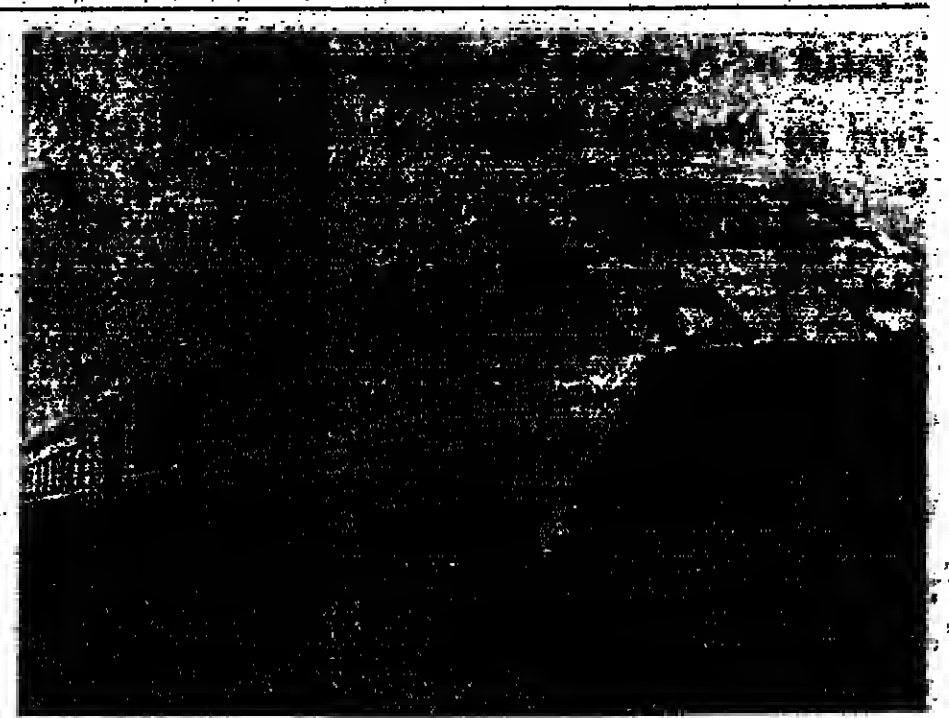
Revolutionary Feature The most revolutionary feature is a new system of public financing for presidential primaries.

U.S. Said to Fund Jewish Emigrés

BRUSSELS, Oct. 9 (Reuters).—The United States is providing funds for two private welfare organizations looking after hundreds of Soviet Jews in Belgium after failing to settle in Israel, a Belgian Foreign Ministry spokesman said today.

The spokesman was replying to questions at his regular weekly press briefing about the situation of Soviet Jews who have arrived here in recent weeks from Israel and who for the most part want to go to North America.

He said the two organizations—the Belgian branch of Caritas Catholica and the Russian emigre Tolstoy Foundation—were being funded for their work on behalf of the Jews by the U.S. refugee program. The spokesman said that there were now at least 800 Soviet Jews in Belgium.



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Rejecting Drastic Changes

House Votes Mild Reform of Proceed

By Mary Russell

WASHINGTON, Oct. 9 (WP).—The House last night rejected a sweeping proposal for reform of its committee system and procedures and adopted instead a milder proposal that left most of the committees' jurisdiction intact, although it changed some procedures.

By a 263-to-165 vote, the House accepted mild changes recommended by a committee of the Democratic caucus headed by Rep. Julia Hansen, D-Wash. At the same time it rejected almost two years of work by a select bipartisan committee headed by Rep. Richard Bolling, D-Mo.

It also rejected an effort to compromise the two proposals, offered by Rep. David Martin, R-Meb., Rep. Bolling's co-chairman, by a 319-to-41 vote.

The vote was a victory for many committee chairmen and liberal Democrats of middle seniority who opposed the Bolling committee proposal as too damaging to their committees' jurisdiction and, in some cases, their personal power.

The vote ended six days of debate on the matter, which had been one of the most controversial issues before the House this year.

Rep. Bolling called the Hansen proposal "a start," and predicted "there will almost surely be some follow-up," probably through the Democratic caucus, the organization of all House Democrats.

"I wouldn't think there would be any possibility of stopping" the reform movement, Rep. Bolling said. "I would think this is just the beginning."

Trouble Spots

One "trouble spot," Rep. Bolling said, "is that it gives us a good idea of where the trouble spots are. There is only one real terrible thing, and that is that the opportunity to modify Ways and Means' incredible jurisdiction" is lost.

Rep. Bolling's committee would have taken away from the powerful Ways and Means Committee jurisdiction over trade, revenue-sharing and the non-tax aspects of health and unemployment compensation.

Labor fought hard against the Bolling report because it split the Education and Labor Committee in two. Rep. Bolling said "most of the great issues of labor," from taxes to unemployment compensation, are handled by the Ways and Means Committee.

Rep. Joe Waggoner, D-La., a member of the Hansen committee, said the Bolling proposal lost because "it was too drastic, it went too far, too quick" and added that it would have been unworkable and impossible to put into effect by the beginning of the next session.

He said the Hansen committee's proposal was "adopted because it was milder and there were fewer questions about it. It was simply better, because it will produce a more orderly flow of legislation next year."

Obvious Targets

Rep. Frank Thompson, D-N.J., another member of the Hansen committee, said the principal thing he thought members objected to was the "obvious targeting" by the Bolling committee on the Ways and Means, Education and Labor, Merchant Marine and Fisheries and Post Office Committees.

Under Rep. Bolling's proposal the Post Office Committee would have been abolished; Education and Labor would have been split, and the others would have lost considerable jurisdiction.

The Bolling committee generally would have limited members to service on one major committee, and Rep. Thompson said he thought that provision "left in limbo" many junior members of committees who, he said, would "be susceptible to being bumped from their committee assignments."

Another factor in the success of the Hansen proposal was that two items of the Bolling-committee recommendations which ap-

pealed to Republicans ed onto the Hansen would assure to 1 third of the staff committees. The end proxy voting, a crutch successfully a train control of com even though their absent.

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The House wo gainz itself befor each Congress to wasted at the beg session organizing their membership.

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All committe granted standing power, which only tes have now.

3 Leading In N.Y. Ac Of Fixing

WASHINGTON, ters).—A federal has charged three most elegant store Avenue, Bergdorf (Bonwit Teller—with of women's clothes over several years.

An indictment file District Court in Ne day accused the 12 using uniform price since the late 1960s manufacturers to re retailers selling bel form prices. The th agreed on dates 7 sales, the jury alleg Assistant Attorn Thomas Kauper, b Justice Department Division, said that sold women's clothr million in the New area in 1972.

The three firms ac executives of Sals dorf's face charges anti-monopoly laws.

If convicted, the could get fines of u and the executives tenues of up to a ye

19.1 Million Acres in U.S. Offshore Oil

By George C. Wilson

WASHINGTON, Oct. 9 (WP).—The Interior Department intends to offer oil companies 19.1 million acres for offshore drilling next year, Under Secretary John Whitaker disclosed yesterday.

Mr. Whitaker told the House Appropriations subcommittee that it was a proposal and not a final plan. Mr. Whitaker's testimony is the most detailed disclosure yet of where and when the U.S. government intends to tap the ocean bottom for oil.

If drilling rigs find oil, the industries that would spring up on shore to handle the petroleum would have a tremendous impact on coastal states.

Mr. Whitaker said the Ford administration would work with states as the offshore drilling program progressed. He said Interior Secretary Rogers Morton would meet with governors of coastal states soon as part of this effort.

Memo Disclosed

An Interior Department memo, disclosed last week, said in part that Mr. Whitaker wanted a leasing schedule laid out that in-

cluded "10 million acres leased in 1975, not just 10 million offered." A controversy erupted after the disclosure, with Sen. John Tunney, D-Calif., charging that the Interior Department "lied to us" about its plans. The department said the memo was designed to obtain recommendations, and did not commit it "to a definite course of action."

The size and geographic spread of the program outlined yesterday by Mr. Whitaker dwarfs anything undertaken in the past and seems to guarantee the continuance of the controversy.

This is the government's "tentative" leasing program for next year, as outlined by Mr. Whitaker. The acreage is the offshore area to be offered, not necessarily purchased, by oil companies.

"Onshore oil and gas tion has already peakt for Alaska (Naval Petroleum Res and northwest Alaska), expect any more ma/ discoveries. Therefore, next 15 years the o tential shift offers prospects for substantia in domestic oil and ga tion."

Location	Area (Millions of Acres)	Year Offered
South Texas	3	Jan.
Central Gulf of Mexico (off Louisiana)	1.1	June
(S. of Santa Barbara)	1.5	July-Aug.
Cook Inlet, Alaska	2.5	July-Aug.
Gulf of Alaska	3.5	Nov.-Dec.
Mid-Atlantic (Baltimore Canyon)	1.5	Nov.-Dec.
Total	19.1	million acres

Against President Park

5,000 South Korean Catholics Demonstrate

By Richard Halloran

SEOUL, Oct. 9 (AP)—About 5,000 Korean Catholics demonstrated against President Park Chung Hee today in the largest anti-government outbreak since the President declared martial law two years ago.

The demonstration against Mr. Park's alleged repression, which came only two days after the most vigorous open criticism of the President in recent years, appeared to mark a new high in anti-government activity.

A speech accusing the President

of violation of human rights was delivered Monday by opposition party leader Kim Young Sam. In addition, small groups of Korean University students after months of fear and apathy, have begun sit-in fasts to oppose the government.

Any of these acts would have been punishable by death before Mr. Park lifted two emergency decrees on Aug. 24. The President warned yesterday that he would not tolerate demands to curb his power, nor demonstrations in the streets.

The President's opponents, how-

ever, are using the scheduled visit of President Ford on Nov. 22 as a shield. Several adversaries said they do not think President Park will crack down on them again, at least until after Mr. Ford's visit, because Korea's public image in the United States is already tarnished by his repressive measures.

Korean political and church leaders critical of Mr. Park said moreover that they intended to ask Mr. Ford, by letter, to urge Mr. Park to restore democratic rights here. In addition, a letter signed by 58 American Christians here is being sent to Mr. Ford to make the same point.

Today an outdoor Catholic mass attended by an estimated 15,000 persons led to an attempt by about a third of the congregation to march into the street carrying banners demanding a restoration of basic civil rights.

Five Bishops

The march was led by five bishops, including Bishop Kim Chae Duk, who celebrated the mass, and Bishop Thomas Stewart, an American who is a member of the Columbus Missionary Order. But the papal nuncio, Bishop Luigi Dossona, left without participating in the demonstration.

The march from the hilltop grounds of the Holy Spirit Catholic Seminary was stopped by plainclothes police and helmeted riot police wielding nightsticks. Several American and Irish missionaries, invited by Korean priests to participate, were pummeled during the melee.

The police also tore away a Korean national flag carried by several Korean priests, shoved around many women, including nuns, and later beat up at least one young man who said he was trying to help direct traffic after the rally. So far as is known, however, no arrests were made.

American Gas

Nor did the police, who were equipped with American-made radios and gas masks, use their American-made tear-gas sprayers, which they had turned on quickly in similar situations.

During a two-hour standoff, the Catholics chanted slogans demanding the release from prison of Bishop Chi Hak Soon and other Christian clergymen, students and intellectuals totaling 179 by official count, but believed to number more than 200. The government alleges that this group conspired to overthrow it in April.

The stalemate was broken when Korean and foreign priests and Korean seminarians opened a narrow path through the police. Hundreds of Korean nuns and thousands of lay persons fled through, many singing a traditional martyrs' hymn that has become to the anti-government Christian movement here what the hymn "We Shall Overcome" was to the American civil-rights movement.

The Catholics continued demonstrating in small groups outside the seminary until busloads of people from all over the country departed. They had come for a long-planned mass to celebrate the Korean holy year.

Lisbon Navy Picks Leftist As Junta Aide

LISBON, Oct. 9 (Reuters).—Navy officers of the left-leaning Armed Forces Movement—now the main power in Portugal—have chosen a leading leftist commander as their acting representative on the ruling seven-man military junta, it was disclosed today.

A presidential spokesman said that Comdr. Silvano Ribeiro, chief of cabinet in the Naval Staff Office, was picked to take over provisionally from Adm. Antonio Rosa Coutinho.

Adm. Coutinho, nicknamed the "red admiral" for his leftist views, said recently that the pressure of his duties in Angola meant that he would have to be replaced on the junta for the time being.

The election of Comdr. Ribeiro, 50, reputed to be a leading figure in the Armed Forces Movement, leaves only two original members on the junta, which took control after the April military coup. They are Gen. Francisco de Costa Gomes, who recently became President of Portugal, and Adm. Pinheiro de Azevedo.

Outset of Spinola The officers who have left the junta are Gen. Antonio de Spínola, who was ousted as president in a major political crisis nine days ago, and three of his conservative supporters.

The presidential spokesman also announced that Navy Lt. Jose Manuel Judas, a member of the powerful coordinating commission of the Armed Forces Movement, had been appointed to the 21-man Council of State, a watchdog body, that also includes civilians.

Meanwhile, Communist party leader Alvaro Cunhal suggested at a press conference that the foreign press had misrepresented the role of his party since the April coup.

Mr. Cunhal, whose party has vastly increased its influence and prestige as a result of the recent political crisis, denied that the Communists were making "tranquilizing statements" while taking advantage of their experience in underground work to prepare for a takeover.



ON THE MOVE—Dragging a reluctant pig, a Cambodian villager flees the fighting.

Somewhere in Pacific Area

Ford, Brezhnev Reportedly Will Meet Soon

By Maxey Marder

WASHINGTON, Oct. 9 (WP).—President Ford and Soviet Communist party leader Leonid Brezhnev are preparing for an early "first acquaintance" meeting, probably in the Pacific area at the end of the next month, it was learned yesterday.

Confidential, top-level discussions are under way about holding the Ford-Brezhnev meeting in the Pacific region in conjunction with Mr. Ford's planned travel to Japan, Nov. 19-21, and to South Korea, Nov. 22-23.

The projected Ford-Brezhnev meeting would preferably be in "a third country," meaning neither the United States nor the Soviet Union, nor Japan nor Korea. The site may be a Pacific island, or a country bordering the Pacific which is politically acceptable to both sides.

Some Discussion Authoritative American sources acknowledged yesterday only that there has been some discussion of "a possible" early meeting. These sources said that there is no firm decision on time or place.

Mr. Ford said today that he will consider an early meeting with Mr. Brezhnev, "if there is a reason for us to meet." Mr. Ford told newsmen that he had

pledged upon taking office "to continue this country's efforts" to obtain better relations with the Soviet Union.

The proposed meeting of American and Soviet leaders would be in addition to the previously announced plan for a formal full-scale Ford-Brezhnev meeting next summer.

Plans for that mid-1975 meeting in the series of alternating U.S.-Soviet summit conferences in each nation were reaffirmed by the White House Sept. 20, following a lengthy meeting between President Ford and Soviet Foreign Minister Andrei Gromyko.

In that two-hour discussion, a White House spokesman announced afterward, President Ford re-

confirmed former President Richard Nixon's previous invitation to Mr. Brezhnev to visit the United States next year.

What was not disclosed then was that Mr. Ford, Mr. Gromyko, Secretary of State Henry Kissinger and Soviet Ambassador Anatoly Dobrynin also began exploring the idea of an earlier meeting between the President and Mr. Brezhnev.

In order to maintain the momentum of U.S.-Soviet détente, the policy of reducing tensions, both sides agreed it would be beneficial for President Ford and Mr. Brezhnev to meet before the distant mid-1975 date in this regular summit series.

Discussions then and afterward turned to a possible time and place for holding such an intermediate, less-formal Ford-Brezhnev meeting in a setting distinct from the elaborately staged summit conferences in Moscow and Washington. Some midway point was suggested and with President Ford's planned travel to Japan and South Korea, the idea developed of combining his trip to the Asian-Pacific region with a Brezhnev meeting in that area.

Mr. Kissinger's scheduled trip to the Soviet Union, Oct. 23-27, presumably will resolve plans for the intended early Ford-Brezhnev meeting.

Saigon Sergeant Held for Asking Thieu to Resign

SAIGON, Oct. 9 (AP).—A South Vietnamese Army sergeant was arrested by the military today after he read a statement on the National Assembly steps asking President Nguyen Van Thieu to quit because of corruption, a military spokesman said.

The spokesman said that T. Sgt. Dao Van Dai violated military regulations "by issuing a statement against the government in a public place."

Sgt. Dai said that he made the statement in response to a speech last week in which Mr. Thieu called on the people to let him know if they no longer trusted him to lead the country in view of growing dissent.

Meanwhile, major fighting erupted at two points along South Vietnam's main north-south Highway 1, the Saigon command reported today.

It said that 133 North Vietnamese troops were killed in a battle yesterday, although the figure appeared to be an estimate since the command said it captured only 20 North Vietnamese weapons.

Five government soldiers were killed and 23 wounded, the command said.

Cambodian Battles

PHNOM PENH, Oct. 9 (Reuters).—The Cambodian military command reported yesterday that 437 Communist-led insurgents had been killed in a sweeping rebel operation around the provincial capital of Kompong Chhnang since Sept. 14.

Fifty government soldiers were also killed in the battles which began when the rebels threatened the town, 46 miles northwest of Phnom Penh.

S. Africa Jails 3 Prison Guards

JOHANNESBURG, Oct. 9 (Reuters).—Three South African prison guards were jailed yesterday for 18 months and two others received suspended sentences for assaulting two African convicts, one of whom later died.

Justice V.G. Hensstra told the court that the guards at Leunoy Prison near here assaulted the convicts last December in a "barbaric, cruel and inhuman manner" because they suspected them of stealing money.

The judge said that the Africans were beaten for hours on the balls of their feet, and ducked into a bath of water to make them talk. One of the prisoners later died of cardiac troubles inflicted by batons or kicks, the court was told.

Bonn Ex-Aide Says Spy Unit Assumed Illegal Domestic Role

By John M. Goshko

BONN, Oct. 9 (WP).—A former Cabinet minister charged today that the West German intelligence service had been involved for years in spying on the country's top political leaders and other prominent citizens.

The former minister, Horst Ehmke, said that the intelligence agency, the Federal Information Service, had compiled what he regarded as illegal dossiers on 54 persons, including two former chancellors and two former presidents.

Testifying before a parliamentary investigating committee, Mr. Ehmke said that the list of persons put under surveillance included leaders of all the West German political parties and persons prominent in academic, military and other fields.

Among them, Mr. Ehmke claimed, were former Chancellor Willy Brandt and Ludwig Erhard and former Presidents Gustav Heinemann and Heinrich Lübke. Others that he named included two Christian Democratic party leaders, Rainer Barzel and Franz-Josef Strauss; a former chairman of the Free

Democratic party, Erich Mende; a former Inspector general of the armed forces, Gen. Hans Speidel; and the director of the Nazi-hunting Jewish Documentation Center in Vienna, Simon Wiesenthal.

Panel Inquiry Mr. Ehmke's sensational allegations were made in testimony before the committee investigating the circumstances that enabled an East German spy, Guenter Guillaume, to win a post on Mr. Brandt's chancellery staff. The uncovering of Mr. Guillaume's identity triggered Mr. Brandt's resignation as chancellor in May.

The charges made by Mr. Ehmke, who had been minister of chancellery affairs in the Brandt Cabinet, could signal a new turn in the investigation. The inquiry has focused primarily on security-clearance procedures. Mr. Ehmke's allegations may begin a national controversy on the role of the intelligence agency, which like the CIA is prohibited from running domestic operations.

The Bonn intelligence agency, commonly called the BND, after its German initials, was created by the CIA during the postwar occupation period and was covertly financed by Washington before its absorption into the West German government. For many years it was referred to as intelligence circles as the Gehlen bureau, after Gen. Reinhard Gehlen, its first head.

According to Mr. Ehmke's testimony today, the agency's domestic spying activities began during Gen. Gehlen's tenure and continued after his retirement in the mid-1960s. Mr. Ehmke said he learned of the domestic spying activities when the Brandt government was formed in 1969. He said he was assigned to supervise the intelligence organization as part of his duties in the chancellery.

Some Preserved Mr. Ehmke testified that he found the 54 dossiers at Pullach, the BND headquarters in southern Germany. He said that after deciding that they were contrary to the BND's mandate of collecting foreign intelligence, he ordered them destroyed. However, Mr. Ehmke said, he learned later that copies of at least some of the dossiers had been preserved.

Gen. Gehlen, a shadowy figure whose espionage career began when he headed Nazi army intelligence on the Soviet front during World War II, also had been scheduled to testify before the committee today. However, his appearance was deferred indefinitely after his doctors notified the committee that he was ill and unable to travel to Bonn from southern Germany where he has lived in seclusion since his retirement.

Two University Officials Killed In Buenos Aires

BUENOS AIRES, Oct. 9 (Reuters).—Two university officials were kidnapped and murdered yesterday, apparently by rightist extremists, as President Isabel Peron met national leaders to consider the problem of political violence in Argentina.

Police said the bodies of Rodolfo Achen, 34, and Carlos Miguel, 38, were found in a Buenos Aires suburb a few hours after they were kidnapped in the city of La Plata, 37 miles southeast of here.

A clandestine organization, calling itself the Argentine Anti-Communist Alliance, claimed responsibility for the murders in a communiqué and said it would "continue seeking revenge for fallen comrades."

The alliance has claimed responsibility for the murder of 21 leftists in the last three months. A total of 108 people have been killed since July 1.

Mrs. Peron told national leaders that her government would take a firm stand to eradicate political violence. "Tolerance has a limit," she said.

French Post Office Raid

PONTORSE, France, Oct. 9 (Reuters).—Three armed men took 13 million francs from a post office here today, police said. They took two employees hostage, and later released them unharmed.

French Red Party Charges Socialists Try to Weaken It

By James Goldborough

PARIS, Oct. 9 (AP).—The French Communist party has openly accused its Socialist allies of trying to weaken Communist strength and replace the Communist party as the principal political group of the French left.

The accusations were published in a communiqué by the Communist party Politburo on the front page of yesterday's L'Humanité, the party's newspaper, and repeated again last night on the radio by Communist leader Georges Marchais. L'Humanité took up the refrain again today, charging that an "anti-Red orchestra" was forming in France.

The immediate cause for the Communists' displeasure was the by-election results in a half dozen races for the National Assembly over the last two weeks. Although the left placed up two of the six seats previously held by the majority, both were won by Socialists or their allies. The Communists urged the Socialists in most races and saw their vote fall from the 1973 elections in five of the six races.

Attention of Democrats "The fact that—except in Dordogne—the Communist vote was reduced must seriously claim the attention of all democrats," said the Politburo communiqué.

The root of the trouble, it said, was the Socialists' continued calls for a "rebalancing of the left." The rebalancing has been a theme played by Socialist party leader François Mitterrand, who has been trying to build the Socialist back to their pre-Gaullist era strength.

The Socialist's main argument has been that a Socialist candidate runs better against the

majority in the second-round runoff under the French system, and so it makes more sense to vote Socialist on the first round, since the leading leftist bloc candidate of the first round runs in the second round. The Politburo article particularly condemned that reasoning: "It is becoming pernicious," it said, "because its aim is to reduce Communist influence."

Worried Tone The Communist party long has known what Mr. Mitterrand's strategy was, but these election results are concrete proof that it is working, which is what puts the worried tone in the Politburo communiqué. The Communist party has maintained in the past that only if it is the dominant party of the left can there be any assurance that the left's government program will not be betrayed by the non-Communist left if the bloc came to power.

Quoting a pre-presidential election statement by then-candidate Valéry Giscard d'Estaing, L'Humanité wrote today that "the day when the Communist party represents only 10 or 15 per cent of the vote in France instead of 20 per cent, the French political panorama will be changed." It is what the Communists fear may be happening.

Curiously, these political suspicions now voiced by the Communists are similar to those that can be heard from the GDR Gaullist camp about its allies. Mr. Giscard d'Estaing's Independent Republicans. In both cases it is the dominant party in an alliance worried as much about its allies doing them in as its enemies.

What else looks so rich and golden through glass.

Johnnie Walker Scotch Whisky

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Where else?

Old Ideas for New Needs

President Ford, in his address on the economy, met the expectations of many and the hopes of few. He projected candor and appeal—especially to his immediate audience, the Congress—while relying largely on the existing context of ideas, agencies and statutes for his practical approach, and on very broad concepts of cooperation and individual initiative in his moral suasion.

The program may work. The President evoked many latent sources of innovative activity within the system of American government and economy that eventually might achieve the goal of "total mobilization" of "the brains, the skills and the willpower of the American people" which Mr. Ford put forward. But as a response to an urgent crisis which the President rightly described as able, unless whipped, "to destroy our country, our homes, our liberty, our property and finally our national pride as surely as any well-armed wartime enemy," Mr. Ford's specific proposals seem inadequate.

It must be added that while President Ford has been told this by many critics, as he sketched his economic ideas in earlier statements, few have been able to make specific suggestions for concrete policies to substitute for his—and those who did so were contradicted by most of the rest. "Stagnation" on a global scale; rising prices and growing unemployment on the national level, are not phenomena with which the present state of the economic art is able to cope. But that is all the more reason why skilled experimentation is called for, rather than reliance upon old devices and even older rhetoric.

The President quoted, in his opening remarks, President Franklin D. Roosevelt,

when he made his first inaugural address. To be sure, Mr. Ford also said that the present situation does not "approach the emergency of 1933." But just as the conventional wisdom of four decades ago was insufficient to meet the Great Depression, so the economic sages of today are confused by what is happening now and may happen tomorrow. Roosevelt experimented, and while some of his initiatives failed, and the success of his whole New Deal was placed in question when World War II set up an entirely new set of conditions, much of what he wrought remains as a very useful fabric of socio-economic legislation.

Moreover, what the New Deal did accomplish in its own time was to establish a standard of striving toward which men of good will could repair to in battling the economic and psychological effects of the Depression. It had its slogans and its symbols, like the button with the acronymic WIN (for "Whip Inflation Now") which Mr. Ford wore during his speech. But the Blue Eagles of the 1930s stood for something specific, something which had a statutory and administrative framework.

The United States now has—as it did not when Franklin D. Roosevelt first took office—a huge bureaucracy and a wide variety of public agencies. There is a natural reluctance to add to them; many were created as emergency bodies under different circumstances than now exist. But perhaps there can be conversion of some agencies, or their adaptation to new purposes. At any rate, it is worth while to experiment. The mistakes might be costly—but not as expensive in the quality of living as mere persistence in things as they are in a world of change.

Britain's Election

Britain's second election campaign of 1974 is ending as it began—in paradox. The three big parties agree that the nation is heading for its most severe economic testing since World War II; but the voters seem massively indifferent to this rerun of the February contest and highly skeptical that the balloting today will produce a government capable of ruling effectively.

This mixture of apathy and cynicism in the face of intractable economic problems has led some responsible Britons, who would have scoffed at the notion a few years ago, to raise doubts about the future of parliamentary democracy. It has also provoked intense speculation about the possibility of forming a government of national unity to steer Britain through the crisis, particularly if neither the Labor nor Conservative parties should win an overall majority in the House of Commons.

Responding to this sentiment—and striving to overcome the slim lead the Labor government has held in the opinion polls—former Prime Minister Edward Heath says that even if his party wins a majority, "We will not form our administration from Conservatives alone." He promises that the Tories will draw on "all the talents" available in addition to seeking participation by the third-party Liberal party.

The Liberals say, however, that they would consider joining a coalition only if the Tories agreed to back a proportional electoral system that would give the Liberals a representation in Commons commensurate with their share of the popular vote, which in February approached 30 per cent. Mr. Heath is unwilling so far to promise such a sweeping electoral change.

Prime Minister Harold Wilson, who has guided a minority Labor government through seven uncertain months, scathingly rejects the coalition idea, branding it "a desperate

attempt by desperate men to get back into power by any means." Mr. Wilson is basing his hopes for a working Commons majority on the Labor party's "social contract" with the trade unions, contracting the industrial peace it is supposed to promote with the crippling strikes that helped bring down Mr. Heath in February.

Many voters are highly skeptical that the unions will for very long exercise the voluntary wage restraint that is essential for the Labor government's effort to curb a 15-per cent inflation rate. Indeed, the coal miners only last week rejected new wage offers based on increased productivity. The "social contract," nonetheless, is Labor's biggest election asset in a nation weary of dislocating work stoppages and industrial strife.

It is not only the size of Britain's economic problems that has raised doubts about the durability of parliamentary government. The senseless killings and bombings by extremists or both camps continue unabated in Northern Ireland, pointing up the fact—though the issue is being ignored in the campaign elsewhere—that no one has any very new ideas on how to restart the imperative political cooperation between the Protestant and Roman Catholic communities.

Nor have the three big parties yet found ways to cope effectively with the rising separatist sentiment in Scotland and Wales, where the size of the vote for nationalist parties will be swayed with some concern. In short, this has not been a campaign marked by challenging debate or by fresh, credible ideas for coping with enormous problems—some of them global, some home-grown. The democratic system will no doubt survive; and the hope must be that this election—unlike the one in February—will strengthen it by producing a government capable of effective action against the country's excessively difficult problems.

THE NEW YORK TIMES.

International Opinion

Breshnev and the West

The October war, willy-nilly, has made the diplomacy of France, of Western Europe, and even of most of the non-Communist countries take a sharp turn. The top concern of Westerners today is no longer located in the East, but in the Southeast, in the Arab world, in the oil-producing countries; and also increasingly at home where economic and social problems are increasingly escaping government control. . . . To be sure, the maintenance of some military balance still appears indispensable as long as a real disarmament has not been initiated—but we increasingly rely on the Americans for this; the usefulness of correct relations with the East, as relaxed as possible, also appears evident. But the real security problem that confronts Europe is primarily that of its energy

supplies; it won't be solved by military means or by détente with the East, which widely appears as an established fact, useful indeed, but secondary.

Mr. Breshnev has more traditional concerns. The political and military future of Western Europe remains in the center of his interests. He will try to get assurances, other than verbal, concerning the views of Messrs. Giscard d'Estaing and Schmidt: What do the two men mean by "re-launching" European unification? Are the Nine going to become more "American" or more "independent"? Is a re-launching of European defense—one of Mr. Jobert's favorite topics at this time last year—to be expected? The quagmire into which the Community is currently splashing must appear reassuring to him in this regard.

—From *Le Monde* (Paris).

In the International Edition

Seventy-Five Years Ago

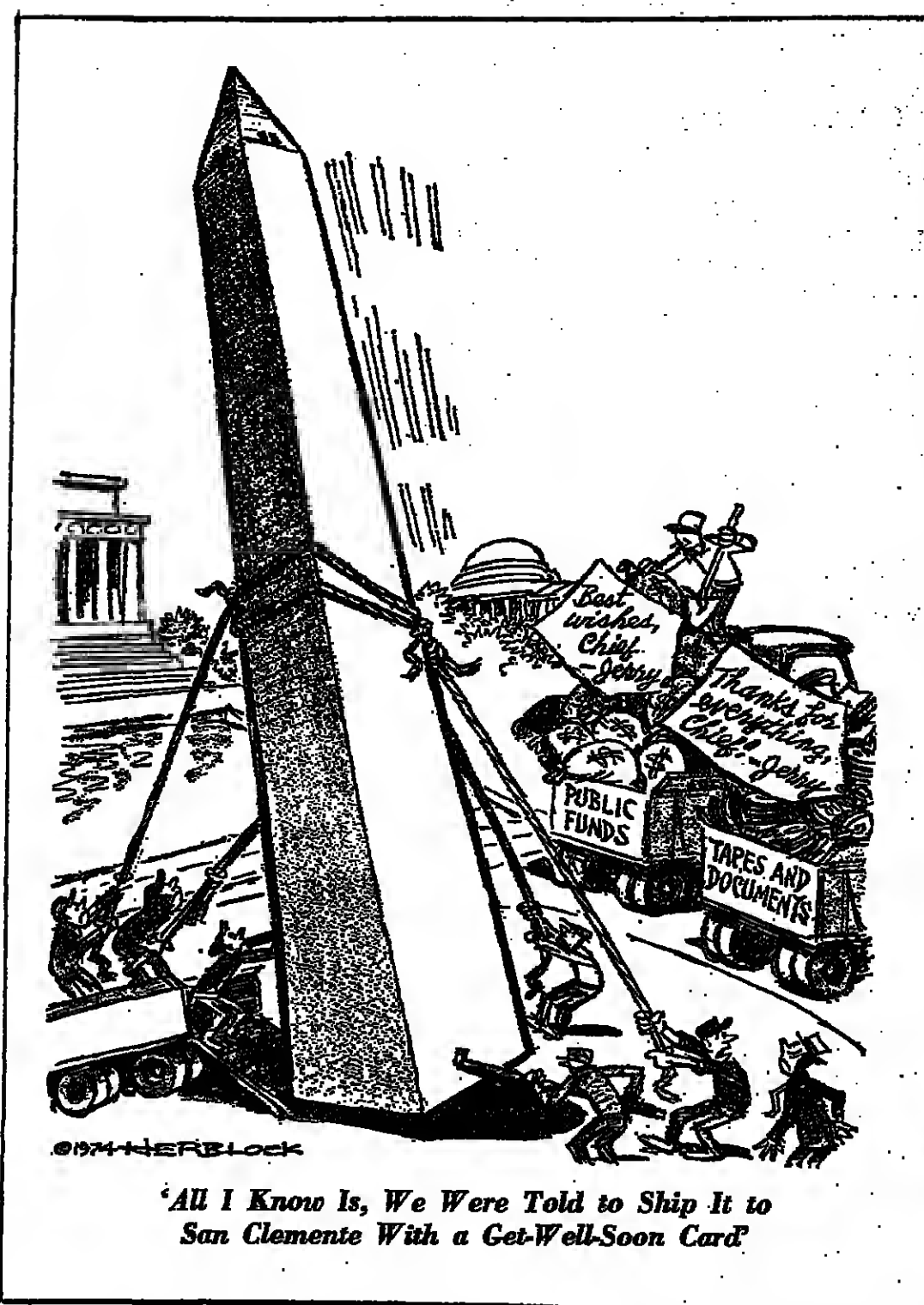
October 10, 1899

NEW YORK—Wireless telegraphy is destined to play an important part in the everyday life of the future. This is the consensus of expert opinion as gathered by the Herald from many leading electricians. Signor Marconi, himself, has said that in the very near future there will be a sort of detector by which ships will be able to make their way through fog or storm to safety.

Fifty Years Ago

October 10, 1924

NEW YORK—The fall of a British Government, under any circumstances, is an event of political importance to the entire world. The fall of Great Britain's first Labor Government is even more. Whether or not Ramsay MacDonald and his party are returned to power, the fact remains that his Government, existing only eight months, has marked an epoch in British history.



Ford: Nibbling the Bullet

By James Reston

WASHINGTON—President Ford has now defined the economic crisis of the nation and proposed a catalogue of remedies. The question now is whether the solutions he proposed are equal to the crisis he defined, and the fear here is that he didn't bite the bullet but nibbled it.

In these abnormal times, and especially a month before the off-year congressional elections, he put forward some unpopular and politically bold proposals, but the whole thrust of his speech to the Congress was that the nation was in mortal danger, and he asked that we mutually pledge to each other, not "our lives, our fortunes, and our sacred honor," but our comfort, our support, and 5 per cent of our gas and oil.

It would be hard to over-emphasize the relief in Washington to find a President stating, with the utmost sincerity, his belief about what had to be done in the interests of the republic. And for the first time in years, to see a Congress that accepts him at his word, without doubting his motives.

Bad as War

Still, his proposals, honest and sensible as they were, scarcely measure up to the spectacular menace and danger he put before the Congress. Inflation was as bad as war, he suggested, while refusing to call for a declaration of war. "We have had enough early warnings," he said. "The time to intercept (the enemy inflation) is almost gone." But he didn't intercept it.

"I say to you with all sincerity," Ford remarked in the peroration of his speech, "that inflation, our present public enemy, will—unless it is whipped—destroy our country, our homes, our liberties, our property, and finally our national pride—as surely as any well-armed wartime enemy."

Maybe it was wrong to define the question in military terms, and even to regret the absence of a Pearl Harbor to wake us up, but when he got down to his program of remedies, he was held in his own framework as a conservative Republican leader, but scarcely bold in the framework of the world problem he now has to handle.

The inflation-recession problem is moving faster than he thought and the outlook now is that he is going to have to face 7 per cent unemployment by mid-year of 1975. He made concessions, which must seem to him as almost radical, in offering public jobs to the unemployed and other breaks to the poor, but again his estimate is probably far short of the need.

Even most liberal economists agree that we don't need mandatory wage and price controls, but we do need much tougher controls over pattern-setting unions and businesses. Apparently, the President is convinced that he should start with appeals to patriotism, and voluntary controls that bark but don't bite. At least he has made a beginning. In his speech to the Congress, he has told his colleagues in the executive branch, his old friends on Capitol Hill, and the American people what he wants them to do. It is early for him but late for the Congress, which is yearning for campaign for next month's election. If nothing else, he has clarified the problem for the average responsible family.

He has finally told them what

he thinks they should do. We are in trouble, he has said. Whatever the President or the Congress decide, we can't make it unless you save gas, oil and money, and help the country in an awkward time.

This is typical of Gerald Ford. He sees the world crisis and suggests laws to deal with it, but basically he believes that appealing to the American people for voluntary sacrifices will work—or at least must be tried before introducing compulsory legislation, and he may be right.

Still in Transition

He is still in that transition period between being a partisan leader and a national leader, and the world economic crisis has come down on him before he has had time to figure out the difference.

In his address to the Congress, he proposed policies which he would obviously have opposed in his 25 years in the House of Representatives, but he has still not caught up with the radical national and world economic problem his advisers in the cabinet are putting before him.

His instinct, and it is the center of his life, is that first you must go to the people—appeal to them, organize them, give them a chance—and only then, if they don't come through, pass laws to compel what the country needs. Washington admires this but doubts that it will meet the national crisis he defined in such dramatic terms, but it likes him and believes in his sincerity, and his caution. At least he nibbled the bullet and this is probably about as much as the country is now prepared to swallow.

Amnesty Loophole

I'm sorry to say that the IHT's information about an amnesty loophole for American deserters may have been wrong. There is no legal way for deserters to avoid the punishment of up to two years' alternative service.

At the Deserter Processing Point in Indiana, deserters must promise in writing to perform the service and they are then issued an undesirable discharge stamped with the words, "This individual is required to do months alternative service." If that service is not done, the individual can be prosecuted under military law—UCMJ Article 31: "Prosecution of persons who fraudulently procure their discharge" or under civilian law U.S. Code Section 1,001, Title 18: "Prosecution of persons who make fraudulent statements to federal departments or agencies." Both of these laws provide for penalties of up to five years and fines. So far there's been no official comment by the military or the Department of Justice on whether they would prosecute these cases, but letters received by individual deserters indicate that they would.

It's also worth noting that a "deserter discharge" is not a document per se but simply a stamp one receives on the corner of an undesirable discharge—after the punishment's been worked out. The stigma of an undesirable discharge is never really lost.

EDDIE FITZGERALD.

Solna, Sweden.

Oil and Politics

Among the profusion of official statements, editorials et al. concerning the impact of oil prices on the stability of world economic order, there appears surprisingly scarce mention of a factor which ought to command serious consideration.

Granting that the old order of things had kept the price of crude oil, for years, at unacceptably low levels and that the OPEC countries were fully entitled to exact their radical revision; assuming, further, that present "imposed" prices are justifiable, in relation with those of other commodities, it may still be argued that the desired readjustment of prices might have been achieved with

greatly mitigated havoc in the economic structure, if relevant decisions at the OPEC conferences had been motivated more predominantly by economic, rather than political, considerations.

Since the selling price of crude oil had to be set by factors entirely independent of its cost of extraction, the parties concerned disposed of full liberty to formulate a schedule whereby the said price would be progressively increased to reach any indexed level desired, over a period of several years.

Consumer countries could thus have the minimum of time required to adjust their economies in accordance with the revised scale of comparative energy costs, while producers could plan for development of their economies and enhance capacity to absorb increased oil revenues.

The chances of finding a way to avoid worldwide economic disruption along the above line look, at first sight, at least as promising as those portended by high-sounding policies.

T. KARAKASH.

Geneva.

Medical Reports

William H. Adler (Letters Oct. 4) does not approve of the publicity given to Mrs. Ford's surgery. "The publishing of such news with all its awful details is absolutely monstrous."

Too bad we haven't got Mr. Adler's comments going back to the time when ex-President Eisenhower was in the hospital and one of his attending physicians reported on his condition in detail, the detail including a rather thorough description of one of his recent bowel movements. All of which was dutifully reported in the press.

W. R. MILLER.

Vervey, Switzerland.

Mastectomies

Judy Klemesrud's article "Psychological Problems Also Are Posed by Mastectomies" (CHT, Oct. 2) inadvertently reveals the unfortunate effects the stereotyping of women has had. Are women really only the sum of their breasts; are happy, long-lasting relationships between man and woman dependent on two nipples? Can there be a man, so stupid and insensitive, who greets his wife's mastectomy, his wife's

By Leonard Silk

NEW YORK—War is mankind's historic pseudo-cure for economic and social ills.

Inevitably these days, in the midst of rampant inflation, growing unemployment, economic stagnation, famine in the poor lands and a threatened world monetary breakdown that could result from the sky-high price of oil and the vast flow of money to the oil-exporting countries, fears of war are rising.

Those fears dogged last week's meetings of the International Monetary Fund and the International Bank for Reconstruction and Development—the World Bank—in Washington. One heard them expressed in many private discussions, and sometimes even from the rostrum of the cavernous auditorium of the Sheraton-Park Hotel.

"Is it not tragic," said Mubashir Hasan, the Finance Minister of Pakistan, "that it is mainly when nations have plunged themselves into wars that there has been a sudden spurt of creative activity on the production front? Men and women have toiled day and night, instead of working five days a week, and achieved technological breakthroughs which have tremendously boosted production and helped usher in new eras of prosperity later on?"

Ghastly Secret?

Is this mankind's ghastly little secret—that we really need war to provide the spur for creative activity and social cohesion, to inspire and develop all that is "best" in men?

Some scholars have long thought so. For instance, Prof. Everett S. Hagen of the Massachusetts Institute of Technology, in his studies of Japan, concluded that military threats to a nation may be a powerful force toward economic growth, especially if combined with internal forces pushing toward technological development.

This is no new thought. The ancients put great stress on the threats of enemies in developing the genius of a nation.

To be sure, the price of war as an elixir of nations has been going up. "Winners emerge from wars as losers," said the Pakistani minister, "and losers are obliterated."

In the Past

But, in the past, fruitful activity followed war. International organizations were created to expand trade, to maintain employment and real incomes, to reconstruct and develop economies on a more equitable and just basis.

That was the story of World War II and the Bretton Woods institutions—the International Monetary Fund and the World Bank—that emerged from it. And these are the institutions that are now struggling for their survival. For the postwar era appears to have exhausted itself, and subtly, horribly, been converted into what feels like a prewar era. Is mankind preparing itself again for one of its dark nights of creation? In the nuclear age, God forbid.

Yet, as Mr. Hasan put it question before the world to whether the destruction bloodshed that a global conflict involves is really a prelude to a spurt in productive activity by nations and to a resting of the international order on a just basis.

"Must the nations first the terrible sacrifice of human and property before they themselves to taking those decisions which alone would mankind from starvation death?"

Blood Rites

This time the world car through its historic blood: spring as a prelude to a new growth.

The nations must settle to this hard work of fining resources equitably, to dis income and capital and know more fairly. This is not a contest between the rich and the poor, as the over fled rhetoric of the earlier war period had it, and it is. Rather, the time has come to recognize that there injustice not only between and poor but between and oil-poor, those with food and with none—an such injustice exists within and not only as between

Many of the poor nations glect their own poor most "It is now clear that man a decade of rapid growth developed countries has of little or no benefit to a third of their population serves Hollis Chenery of the Bank in a new study, "Redeem With Growth."

While average per-cap come of the Third Wor risen by 50 per cent since this growth has been ve equally distributed among economic groups and within countries.

Economic growth alone answer to the misery an that now stalks the poor within nations and ex cooperation among nation: only viable answer.

In the nuclear age, under the sea, as in a submarine. We are at bomb; all will die. We get back to the surface, air to live in peace. But held down by our huma by our mean antagonisms, rigidity of our habits a faintness of our hopes.

The International Tribune welcomes letters. Short letters of better chance of being. All letters are a to condensation for space. Anonymous letters not be considered for. Writers may request their letters be signed with initials but pre will be given to those signed and bearing the er's complete address.

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REPUBLIC OF CHINA IN TAIWAN CELEBRATES 63rd ANNIVERSARY

President Chiang Leads His People in Vigorous Self-Reliance

TAIPEI—When the international political going gets rough the people of the Republic of China fall back on the wisdom and counsel of President Chiang Kai-shek.

The guidance of the chief executive is epitomized in one of the special messages he addressed to the nation during the turbulent times of the early 1970s.

"Don't be disquieted in time of adversity," he bade the people. "Be firm with dignity and self-reliance with vigor."

Administrative reins of the Republic of China are in the able hands of Premier Chiang Ching-kuo. But President Chiang continues to set the course, just as he has for nearly 50 years.

President Chiang also continues to make the crucial decisions and to give his views to the people on matters of the highest importance.

In his directive to the ruling Kuomintang (Nationalist Party) late in 1973, the President said that many people harbor the illusion that peace in our time can be obtained through compromise and détente with the Communist bloc.

"They do not care," he said, "if justice is sacrificed and the distinction of right from wrong is abandoned. Consequently, civilized order has been plunged into unprecedented chaos."

"Viewed in depth," he continued, "the turmoil provides a test of our unswerving confidence and will power which may awaken the sleepers from their illusion. This may be regarded as a turning point on the anti-Communist and anti-totalitarian road."

President Chiang said that aside from their own internal contradictions and endless power struggle, the Chinese Communists are being torn apart by the counterforce of the Chinese cultural tradition. Communism runs against the spiritual faith of the Chinese. The President said, and the Peking regime is therefore, "counterattacked and resisted by the people."

The Kuomintang's basic policy, he added, is never to negotiate or compromise with the Chinese Communists.

Always the practitioner of a simple life, President Chiang warned against hedonism in his New Year's message for 1974. He said:

"The most serious weakness of civilization is the increasing tendency of people to seek material satisfaction, with the result that the spiritual side and the material side of civilization are no longer in balance. This has led to the paradoxical cycle of the greater the development, the greater the distress."

"As a result of Communist incitation and machination, wars and disasters follow one another endlessly, so that the more people fear war, the greater the chance of war. People resort to appeasement under the pretense of seeking peace and are willing to substitute evil for justice and reason."

Today only the revolutionaries still believe that men eventually will return to reason. The President declared that the Chinese Communist movement to criticize Confucius and exalt Ch'in Shih-huang, the First Emperor of Ch'in (221-206 B.C.), was "intended to be smirch, and destroy our culture" and to prepare for a "new cultural revolution which would threaten the very existence of our mainland compatriots."

On Youth Day last March 29, he referred again to the Communists' denigration of Confucius, saying:

"Such essentials of Confucian philosophy as benevolence, propriety, filial and fraternal affection, loyalty and mutual consideration, universal love and harmony—in short, the whole succession of personal cultivation, family discipline, orderly government and world peace—are not the teachings of one person or one school of philosophy."



President Chiang Kai-shek.

"These essentials represent the crystallization of the long process of Chinese culture and history brought to magnificent fruition by Confucius. These essentials are not only vital to the Chinese people but also provide basic guidelines for the continued existence of the whole human community and express the norms of human relationships."

Mao Tse-tung, he said, "is criminally attempting to destroy our country and people by annihilating our history and culture."

"Many young people and intellectuals on the mainland are courageous and heroic," the President continued. "They eventually will turn their spearhead from Mao's pretended target of anti-feudalism and aim it against Maoist enslavement. They will also wake from the nightmare of Mao's class struggle and turn against the Maoists to attain freedom of thought."

President Chiang remains resolutely determined to nail Mao's pelt to the wall.

No man in the world knows Communism better. Chiang Kai-shek went to the Soviet Union in 1923 at the order of the Republic of China's founding father, Sun Yat-sen. His assignment—only two years after establishment of the Chinese Communist Party—was to find out what made Communism tick and report to Dr. Sun.

The Kuomintang's young military genius was quick to discern that Communism was a tyranny totally unsuited to the new China of the Republic. He gave this view to Dr. Sun upon his return.

With China unified by the Northern Expedition that defeated the warlords, Chiang Kai-shek quickly found out what the Soviets had in mind. Instigated and armed by Moscow, the Chinese Communists mounted one provincial rebellion after another.

The years from the late 1920s to the beginning of the War of Resistance Against Japan in 1937 had to be devoted largely to suppressing of the Communist rebellion.

The conflict with Japan lasted eight years—a period which tragically gave the Communists time to recover from their march to the caves of Yenan. Their promises to join battle against the Japanese were not kept. V-J Day found the Communists ready to receive captured Japanese weapons from the Soviets and resume their rebellion.

Exhausted by the eight-year war, the government could not stop the Communists from seizing the mainland. It moved to Taiwan in 1949 to continue the anti-Communist struggle.

He rebuilt the armed forces of the ROC and made Taiwan into China's first model province—the most prosperous and advanced in Chinese history.

He himself has not been disquieted in an era of reverses. He is firm in his dignity and vigorously self-reliant.

This "old soldier," as he described himself upon assuming the presidency of the Republic of China for the fifth time, remains supremely confident that the free Chinese government will soon restore freedom and democracy to the mainland.

Inflation Slows But Does Not Stop Taiwan Economic Growth

TAIPEI—Economic growth of the Republic of China will not exceed the record of 12.3 percent this year.

That was the figure for 1973. But inflation and the petroleum crisis intervened late in that year and continued into 1974.

The gross national product is expected to show an advance of between 8 and 10 percent in real terms despite severity of the economic buffeting. Not many developing countries will do better.

Two-way foreign trade should reach U.S. \$11 billion, compared with the U.S. \$8.3 billion of last year. The gain should be enough to keep the Republic of China (14,000 square miles and 16 million people) ahead of the Chinese Communist-held mainland (3.7 million square miles and 700 million to 800 million people) for the third straight year.

Taiwan trade, which has been favorable since 1970, probably will be in the red for 1974. Foreign exchange reserves are more than adequate to cover the deficit, which results from the skyrocketing prices of raw materials and capital goods.

Industrial growth will be around 12 percent and manufacturing slightly less than that. These figures are approximately half of those attained in 1973 but still a long way from the stagnation which has afflicted the economies of some countries.

Foreign and overseas Chinese investment has continued to flow into Taiwan. The government took steps to abet incentives and make the investment climate even more attractive than before.

The influx of capital will be less than the U.S. \$249 million of 1973 but still sufficient to carry the cumulative total close to U.S. \$1,300 million.

Americans continued to be the biggest investors with the electrical machinery industry as their overwhelming first choice. Nearly every big U.S. home communications receiver company has a Taiwan factory. Investments range from a few million to more than U.S. \$25 million.

Overseas Chinese occupy second place. They favor textiles and services, especially hotels.

Japanese are third with a wide variety of investments. New investors from Japan disappeared only briefly after Tokyo recog-

nized the Peking regime in September of 1972. Japanese money soon was back, as were Japanese tourists.

Entrepreneurs are drawn to Taiwan by reasonable wages for skilled and loyal workers as well as by tax incentives, export processing zones with free port advantages and government guidance and assistance from first inquiry to the start of production.

Wages have risen and Taiwan is no longer the cheap labor capital of industrializing Asia. But today's investors also are looking for the literacy, knowledge and special abilities that are emerging from an excellent system of education.

Taiwan industrialization began in the 1950s with small plants making products for import substitution—textiles, electric fans and other small appliances, household necessities and processed foods.

Soon the supplies were sufficient for domestic consumption. Manufacturers began to seek export markets.

Textiles was the biggest import substitution industry and quickly became the No. 1 exporter. Overseas textile sales are headed for the U.S. \$2,000 million mark.

The electrical machinery industry grew from the nimble fingers of girls. TV, radio and tape recorder manufacturers thronged to Taiwan, where their products could be assembled at a tenth of the U.S. cost.

At first, 100 per cent of parts and components were imported. Local manufacturers learned from Western example and acquired the know-how to become subcontractors. American, Jap-

anese and Dutch electrical machinery manufacturers now obtain an increasing share of their materials locally at savings in unit and transportation costs.

Heavy industry came to Taiwan slowly. Automobiles have been made for years. But the process was primarily one of assembling Japanese parts. Ships also were made, but virtually on a custom basis. Taiwan hand-built yachts are well known in the United States.

Ford investment in a Taiwan plant stimulated automotive modernization and the production of new models. Subcontractors are contributing an increasing share of the finished product.

Foreign investment has been forthcoming for a Kaohsiung shipyard which will build tankers of 45,000 tons.

Both heavy and light industry will be served by the integrated steel mill under construction at Kaohsiung. Initial capacity will be 1.5 million tons annually. This may be increased to 6 million tons as domestic demand and export opportunities warrant.

Petrochemical intermediates are already starting to pour from naphtha cracking plants built around the Chinese Petroleum Corporation's Kaohsiung refinery. These products will supply synthetic textiles and plastics industries and reduce reliance on imports.

Labor-intensive factories are big employers of young people. This has enabled Taiwan to keep its unemployment rate at around 1 per cent.

Most of the goods are for export. With a population of 16 million and per capita income which has

just moved past the U.S. \$500 mark, the island's market is too small to absorb the output of a huge and complex industrial establishment.

The bicycle industry almost vanished with the coming of the motorcycle (of which the island now has around a million). Bike manufacturers came back bigger than ever and soon will be doing U.S. \$100 million worth of business annually.

Taiwan is the world's biggest producer of decorative lights. Its toys and handicrafts are found in markets all over the world.

Asparagus and mushrooms weren't grown until the 1960s. The processed and canned products of both outlast those of such traditional producers as the United States and France. Canned pineapples is also a world leader.

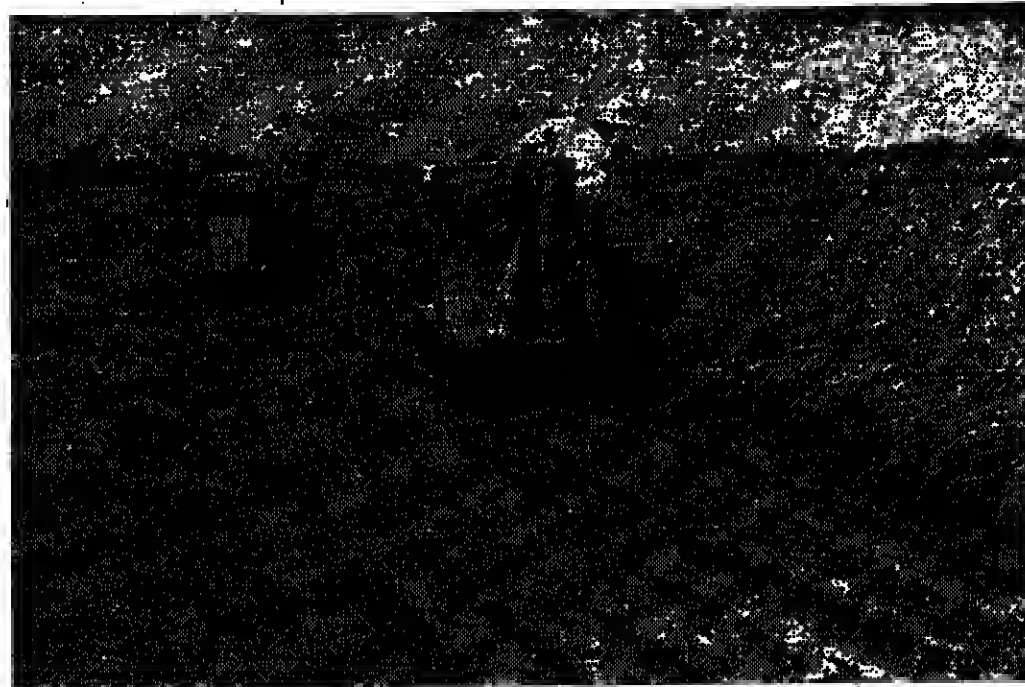
A decade or so ago, wood exports were limited to carvings and other handicrafts. Plywood, furniture and other wood products will earn more than U.S. \$500 million in foreign exchange this year.

Export opportunities are to be found in unexpected places. Marble and products of marble will bring returns of U.S. \$20 million this year. Mandarin dialect movies—mostly kung fu epics—brought in U.S. \$32 million last year.

Much of Taiwan's economic success has to be attributed to imaginative entrepreneurs. They have made their own bricks and seized their own opportunities. Standing behind them is a government which believes in free enterprise and supports the mixed economy concept as providing the best life for the most people.



Premier Chiang Ching-kuo prefaces action to words. He likes to spend his leisure time talking with the people and listening to their problems. The Premier is seen holding a little girl during one of his frequent trips around the island.



Continuous research and modernization have made Taiwan's agriculture both productive and labor-saving. Farm machinery such as power tillage pump, sprayer, transplanter, harrow, cultivator and harrows are now widely used by Taiwan farmers.

Ten Basic Projects Will Help Taiwan Achieve Developed Status

TAIPEI—The Republic of China in Taiwan has increased its gross national product about twentyfold in the last 20 years. Its island province has moved from the ranks of agriculturally based economies to advanced status among developing industrialized lands.

Infrastructure is likely to fall behind when an economy grows by 10 per cent or more annually. This has been the case in Taiwan partly because of the huge cost of basic construction and partly because the government wished to avoid grandiose projects.

By 1973, however, harbors were bursting their seams. Inland transportation was creating under loads much heavier than it had been expected to carry. The iron and steel industry was too small to serve burgeoning heavy industry. Synthetic textile and plastic industries were demanding ever increasing supplies of petrochemical intermediates.

Premier Chiang Ching-kuo and the Executive Yuan (Cabinet) decided that the infrastructure has to be expanded and modernized regardless of cost.

Plans were made and blueprints drawn up for Ten Basic Projects to give the Republic of China rank among the developed countries of the world by the end of the 1970s. The cost will be in excess of U.S. \$5,100 million to be appropriated and borrowed over a period of five years ending in mid-1979.

These are the projects:

—North-South Freeway.

—Electrification of the west coast mainland railroad.

—Suao-Hualien railroad construction on the northeast coast.

—Airport for Taipei at Taoyuan.

—Thermal, hydroelectric and nuclear power plants.

—Petrochemical industry.

—Steel mill.

—Kaohsiung shipyard.

—Taichung port.

—Suao port.

Construction of the North-South Freeway to link the northern port of Keelung and southern port of Kaohsiung by way of Taipei is already well under way. The first section of 42 miles was opened in mid-1974. Total length of the road will be 235 miles. Cost will be close to U.S. \$1,000 million.

Nine-tenths of Taiwan's 16 million people live along the fertile west coast plain which will be served by the expressway. Tangible economic benefits are expected to reach U.S. \$2,000 million by 1985. The cost will be regained in 20 years from tolls amounting to some U.S. \$52 million annually.

Width of the road will vary from four to eight lanes, depending on local traffic conditions. There will be 39 interchanges. No toll stations will be established in metropolitan areas, thus encouraging use of the freeway to relieve urban traffic congestion.

By June of 1978, buses

and trucks and private cars will require only five hours for the trip between Taipei and Kaohsiung, the island's biggest cities.

Electrification of the railroad paralleling the North-South Freeway will increase carrying capacity by a third, reduce running time at the same rate and cut energy consumption by about one-half. Contracts have been signed with General Electric of the United States for locomotives and replacement of tracks, with GE of Great Britain for control and communications systems and power transmission, and with E.M. Erickson of Sweden for traffic control equipment.

Construction will get under way only in 1975 and be completed before the end of 1978. The rate of investment return on the U.S. \$400 million project is estimated at 17.3 percent annually.

Express passenger trains will take only four hours for the Taipei-Kaohsiung journey. Fast freights will make the trip in five hours. Ninety-four locomotives will draw power from 25,000-volt overhead transmission lines.

Taiwan does not yet have an around-the-island railroad system. The present mainline extends from south of Kaohsiung on the west coast to Taipei and then around the northern bend of the island to Suao on the northeast coast.

On last Christmas Day construction began on a railroad which will connect Suao with Hualien and eventually make one-train travel possible between Kaohsiung and Taichung.

The 55-mile line will have 19 tunnels and 14 bridges. Crews are tunneling and digging through the mountains from both the Hualien and Suao termini. Completion is expected by mid-1978 with partial service beginning in late 1978 or early 1979.

This short stretch of hard to build railroad will open up Taiwan's last frontier. The east coast is underpopulated because of transportation isolation. Highways between Suao and Hualien and between Hualien and Taichung on the west coast are frequently blocked by landslides.

The east coast has vast marble and limestone deposits. Lumber, gold and copper are other resources. Hualien has a small international port which will acquire greater value with completion of the railroad. Some of Taiwan's finest scenery is found in Hualien and Taichung counties.

Taipei's Sungshan International Airport is running out of room for expansion. Located only 15 minutes from downtown Taipei, it handled 3.1 million passengers and 85,000 metric tons of freight last year.

The new airport for Taoyuan will be about 18 miles southeast of the capital, a fast-growing industrial center. First-phase construction to be completed by 1978 will provide capacity for 5 million passengers and 200,000 metric

tons of freight. Subsequent expansions will take care of northern Taiwan's airport requirements until at least the year 2000.

A five-mile airport road will feed into the North-South Freeway and provide 30-minute travel to Taipei. There will be three terminal buildings, an airport hotel and 22 parking aprons. One of the three runways will be 12,000 feet long.

Taiwan Power Company capacity must be raised to nearly 20 million kilowatts by 1985. The island's first nuclear generator will be in operation by October of 1976 and the second a year later. Six other nuclear units are planned. Installed and potential hydroelectric generation totals nearly 8 million kilowatts. Taipower's biggest thermal plant will begin generation the middle of next year. Located at Tainan near Kaohsiung, it will have capacity of 1,850,000 kilowatts.

Petrochemical plants will be built in complexes around Chinese Petroleum Corporation refineries in the north and south. One naphtha cracker is already in production and a second and third are under construction. Planning has started for a fourth plant to produce such intermediates as ethylene, propylene, butadiene, ethylene glycol and benzene.

Private investors are spending more than U.S. \$200 million on downstream industries to make such products as polyacrylonitrile, DMT, caprolactam and artificial rubber.

Preliminary construction has begun for an integrated steel mill at Kaohsiung. Initial capacity will be 1.5 million tons annually of pig iron and steel ingot, plate, wire and rods. USS Engineers and Consultants Inc. of U.S. Steel will supply technical services and supervision in building the U.S. \$700 million plant.

Work has been under way for more than a year on the world's second biggest drydock at Kaohsiung. The China Shipbuilding Corporation will turn out 1.5 million tons of vessels annually and have repair capacity of 2.5 million tons. Contracts are already in hand for four 450,000-ton tankers. Investment has come from the United States, Liberia and Great Britain as well as the free Chinese government, which owns 55 per cent of the stock.

Harbor congestion has been a worsening headache for Taiwan with growth of foreign trade at rates of 50 per cent and more. Major expansion programs are under way at Keelung, which has geographical limitations, and Kaohsiung.

Construction of a new international port began at Wuchi, near Taichung on the west central coast, in October of 1973. Traffic will begin in 1976 with annual volume of 3 million tons and reach 12 million tons by 1978. The island's second largest industrial zone will be developed around Taichung Port.

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Lower California—A Last Frontier for Paleontologists

By Boyce Rensberger

NEW YORK, Oct. 9 (NYT).—A team of U.S. and Mexican scientists reported yesterday that it has discovered what may prove to be one of the largest still unexplored deposits of marine and terrestrial fossils in North America.

The deposits, dating back 60 million years, and exposed by erosion over hundreds of square miles of Baja California, have already yielded the bones of many species, including some that may be new to paleontologists.

One possible new find was the intact shell of a giant tortoise, 4 feet high and 3 feet long.

The scientists said they have also found flint and obsidian chips that appear to be human artifacts. Because the chips are in deposits that may be 50,000 or more years old, they may represent some of the earliest evidence of man's presence in North America.

Although there is great controversy, most authorities consider the earliest evidence for man in the New World to be no more than 25,000 to 40,000 years old.

The report on the find was given before the annual meeting of the Vertebrate Paleontological Society of America in Flagstaff,

Ariz., by Shelton Applegate and William Morris of the Natural History Museum of Los Angeles County.

In a telephone interview, Mr. Applegate pointed out that the apparent human artifacts were collected on the surface and could have been introduced by human beings long after the sediments on which they lay were formed. Further study will be necessary to determine their authenticity and age. No human fossils were found.

Among the animal bones found were those of mastodons, and primitive ancestors of horses, camels, bison, whales, sea cows, sharks and other fish.

Mr. Applegate said that one of the most exciting findings was the wealth of marine fossils from the Oligocene period, 27 million years ago. A specialist in shark evolution, he said that exploration in Baja California had yielded teeth from a species of shark previously known from deposits in Mississippi. This suggests a water connection between the Gulf of Mexico and the Pacific, an idea that fits in with the geological evidence that the Isthmus of Panama began rising from the sea floor about 10 million years ago. A specialist in shark West water route by about 4 million years ago.

"I think Baja represents one of the last frontiers in paleontology," Mr. Applegate said. He noted that the explorations so far, carried out chiefly in July and August of this year, were only preliminary surveys and involved no excavations.

Although geologists had reported the presence of fossils in the Baja peninsula many years ago, little further examination of the petrified bones had followed because of the region's harsh terrain and climate. In 1965, Mr. Applegate visited the area and found one exposure of fossils.

This year, with a recently completed paved road to the southern tip of the Baja peninsula, the logistics of an expedition became simpler, and 17 additional exposures were located. In some cases fossils cover the ground for areas of 10 to 12 square miles, Mr. Applegate said.

The explorations were carried out by Mexican geology students under the direction of Mr. Applegate and Mr. Morris and a professor of paleontology from the University of Mexico, Immanuel Fierstman. The National Geographic Society provided the money.

Arts Agenda

"Manon Lescaut," not the well-known French work but the opera-comique composed almost 40 years earlier by Daniel-François Esprit, will be given a rare performance in concert form Oct. 10 at the Maison de l'ORTF in Paris. Jean-Pierre Marty will conduct the French Radio's Orchestre Lyrique and a cast headed by Mady Mesplé in the title part, Jean-Claude Orlac as Des Grieux, Yves Blason as Lescaut, Peter-Christoph Runge as Hariguy and Emmy Greger as Marguerite.



CELEBRATION—The Hamburg Kunsthalle is commemorating the bicentennial of Caspar David Friedrich (1774-1840) with the largest exhibition of his works ever seen together. There are 100 paintings, 137 watercolors, drawings in wash and pen, engravings and woodcuts. Pictures are on loan

from Leningrad, Moscow, Oslo, Prague, Zurich and East and West German cities. The painting above is "Moon Rising at the Shore," on loan from the Nationalgalerie in West Berlin. The exhibition will be on view until Nov. 3. It is the second in a series titled "Art Around 1800."

The Chick-Pea: The Bean of the Ancient World

WAVERLEY ROOT

MAN began cultivating the chick-pea so long ago that its original wild ancestor no longer exists anywhere in the world, not even in its native region, which, according to Alphonse de Candolle's "Origin of Cultivated Plants" (1933), was south of the Caucasus and north of Persia.

Chick-peas have been found in the excavations of Neolithic Swiss lake dwellings, but the vegetable may go back even farther than that. Eastern Sicily has a dish made by putting chick-peas and heated pebbles into the same receptacle and stirring them violently until the heat from the pebbles has cooked the chick-peas. Cooking habits die hard, and this one suggests an origin antedating pottery which could be placed over a fire—which was invented in Neolithic times.

Chick-peas were grown in the hanging gardens of Babylon, which were not devoted to flowers, as many persons assume, but primarily to fruit and vegetables. Vast fields of chick-peas were sown in ancient Egypt; and in Homer's time, when the Greeks called the chick-pea *eribithos*, not much else was available in the way of vegetables except peas, broad beans, lentils and the ubiquitous onion. In ancient Gaul, chick-peas appeared in vegetable soups at least as early as the 7th century BC. The pork and beans of the ancient world were the chick-peas and bacon canned in

amphorae) in Pompeii for export to the rest of the Roman world.

One ancient Roman story which has been tirelessly repeated by gastronomic writers is that Cicero was so named because he had a wart on his nose the size of a chick-pea (*cicer*, in Latin). But Cicero was not a nickname; it was his family name, so his wart could hardly have accounted for it unless it were a hereditary defect. (There was another Cicero family in Rome, warlike, so far as we know). The chick-pea does seem to provoke comparison with warts. In Italian, *cice* means: 1. chick-pea; 2. wart. *Pois chiche*, chick-pea in French, has served as a figurative synonym for wart. In Marseilles it is believed that if you eat chick-peas on Palm Sunday you will be protected from boils.

Charlemagne

When Charlemagne busied himself with restoring productivity to lands ravaged by war, one of the vegetables he ordered planted on the pilot farms of his domains was the chick-pea. When the Sicilian Vespers of March 31, 1283, touched off a rebellion against the rule of Charles I of Anjou in which all identifiable Frenchmen were massacred, the French were betrayed by their inability to pronounce *cice*, chick-peas.

During its long association with man, the chick-pea has had time to pick up an extensive list of nicknames. For scientists it is *Cicer arietinum*, which refers to a resemblance some persons have been able to distinguish between its shape and that of a ram's head. In English it is sometimes called the Egyptian pea, the chestnut bean, the Bengal gram, the Spanish pea, the dwarf pea, the chick and the caravane. In French, besides the normal *pois chiche*, it turns up as *cicerale*, *cicer tête de bœuf* (ram's head again), *erythymos*, or *pois cornu* (horned pea). In Italian it is *cice* (singular) or *ceci* (plural), in Spanish *garbanzo* or *garbanos* and in German *Kichererbsen*. The present English name is the end result of some centuries of indecision over whether the word should begin with the sound of soft C or of CH. From *cicer* in Latin it progressed to *cice* (pronounced *tchatchey*) in Italy, to *cice* (pronounced *seeey*) in France until the middle of the 18th century, when it became *chiche* (pronounced *sheesh*), which was turned into chick-pea in English. Attracted by the word "chick," it then became chick-pea by folk etymology.

The large almost round yellow chick-pea is not a pea. It does belong to the same family as

peas, the Leguminosae, but so do 13,000 other species, most of which are not peas either. The chick-pea is at least a member of the same sub-family as the pea, the Papilionaceae, but this does not necessarily bring it even within kinsman-cousin reach. However, the chick-pea is like the ordinary pea in that it grows in a pod, two grains (botanically the seeds) to each.

The chick-pea provides a maximum of nourishment for a minimum of expenditure, whether in the form of money or effort. It produces 38.8 kilograms of proteins on the average per hectare (about 2 1/2 acres) of land, the highest yield of any leguminous grain except peanuts; and 100 grams of chick-peas provide 358 calories, more than any other except peanuts and lupine seeds.

Famine Areas

This high nutritional yield makes the chick-pea a food particularly important in famine areas. Draw a map of the world showing the density of chick-pea consumption, and you would be pretty close to having a map of poverty. If you were asked to name the country most closely associated in your mind with famine, you would be likely to pick India; India (where the chick-pea is smaller than in Europe and is particularly hard-skinned) is precisely the country where this vegetable plays the most important part in the normal diet.

Africa, a land of frequent food shortages, ranks second in dependence upon the chick-pea; it is the second most important leguminous grain in Ethiopia and Tunisia. Out in Tunisia, it is a very poor second to the broad bean, which supplies 75 per cent of the needs in this category of food, compared to 15 per cent for the chick-pea and 7 per cent for the lentil. Indispensable for the

classic couscous of North Africa, it is one of the most foods of the Sahara, much found south of it except in East Africa a gaster.

In America, the chick-pea is neglected by the prospective States, but has been neglected in the diet of the poor. In San Francisco, it is a staple of the poor regions of Central America. In where chick-peas appear in soups, stews, as they are eaten more than from necessity, but it is one of the poorest which consumes the most where it enters into the dishes as *olla podrida*. In Italy, a Ligurian polenta called *farinata* of flour, and Nizza, has chick-flour pasta socca. The *panissa* of is made of mashed first boiled and then

Blind almost to the tastelessness, chick-pea seems to be the unlikely to be credited with a quality—despite the thunder and lightning (lampo) given in Italy's bit of pasta. Nevertheless, it is an Arab recipe for a ing potion which, it is should be taken just b time in winter, made the juice of powder with purified honey onion juice has boiled then mixing the crushed chick-peas. "The Perfumed Garden" reports an unbelievable plot achieved after quantities of chick-pea down with camel's milk with honey. So far as I know, the only Occidental who considered the chick aphrodisiac was Nish pepper, who wrote in 165 pepper's Complete Her chick-peas "are under nation of Venus. They a to increase sperm."

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Man's best friend

سكوتلانداي

German TV Gets Into Marriage

BONN, Oct. 9 (Re) Germans looking for or husband will in the t able to select their m TV.

Starting Sunday, Germ vision will broadcast a 50-minute marriage mar gram called "Marriage cluded." The signature an early Beatles numbe Me Do."

The first three candi the altar are two 22 women, one a commerc and one a schoolteache 30-year-old male glass They will talk with a about their private li and hobbies and desc sort of person they w to marry.

Viewers will also see of the candidates' ho their surroundings so t can form their own i Candidates will be i by their first names on us wishing to contact t have to write to the studio in Cologne. T will be passed on unop

The program, descri Cologne newspaper as a most idea of the year brainchild of stage and author Tankred Dorst vision entertainment d Günter Rohrbach.

It is the first time the TV has set itself up as broker to establish between individuals way favor to it. Spina had to overcome a ge taboos."

The first appeal for placed in newspaper columns brought no Then the studio sent t out to make direct a to likely looking and department stores, at t and the streets. In a t they had more than 100 from whom a dozen we

ENTERTAINMENT IN NEW Y

NEW YORK, Oct. 9 (NYT).—This is how reviewers for the New York Times rate new films and stage productions:

Films

"Hush," a British-made science-fiction caper, may appear to be as up-to-date as genetic research, but its end results are as basically familiar—or convincing—as a Boris Karloff going berserk in an underground laboratory says A.H. Weller. In it, a London scientist, Donald Pleasence, is desperate to "induce mutations" of plants and animals for a combined efficient "new species." He is, says Weller, "more successful with freaks—authentic dwarfs, a bearded lady and the like—a couple of whom our researcher uses to capture the mutants in his college classes." Tom Baker, playing the faculty deformed co-owner (with Michael Dunn) of a sideshow, is the dastardly hunter because, you see, he's been promised a cure by Professor Pleasence. Despite the professor's collection of animal-evolving plant hybrids and all his talk about DNA and

Plays

"Flowers," by Linda is "an over-painted bu lie." Give Barnes a sliding was not caught interest." Taking as it departure an early prot Jean Genet, "Nouveau Fleurs," "Flowers" is a into a special pe homosexual sensibility-house of secret rites around the turn of th The show, which is a E port incidentally, is fi by the standards of th porary stage. The theater has not prev such realistic simulation surbation and, addom, neder is hereby either informed." Barnes add Kemp does succeed in tr tricity. He does hav sense of the theater, w dral lighting and i mists."

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BUSINESS

Herald Tribune

Published with The New York Times and The Washington Post

PARIS, THURSDAY, OCTOBER 10, 1974

FINANCE

Page 9

Bank Is Seeking
Size on Withdrawals

NEW YORK, Oct. 9 (AP)—The Federal Reserve Bank today is seeking to limit the size of withdrawals from its discount window by depositors by a 50 percent cap on the amount of funds that can be withdrawn at one time. The move is part of a series of steps to curb inflation by tightening credit. The Fed said it was considering the cap because of a recent surge in withdrawals from the discount window, which had reached a record high of \$1.5 billion in the first week of October. The cap would apply to all banks and would be in effect for 30 days. The Fed said it was also considering other measures, such as raising the discount rate and increasing the reserve requirements for banks.

French Firm's
Profit Rises

PARIS, Oct. 9 (AP)—The profit of Rhone-Poulenc rose 38.7 percent in the first half of the year, the chemicals and synthetic fibers company reported today. The company said its earnings, before depreciation, provisions and taxes, totaled \$3.3 million, up from \$2.4 million in the same period a year earlier. The holding company said first-half results were not indicative of the year's trend because most of the dividends are received during the second half. The group's consolidated turnover rose 49.9 percent to 10,829 million francs from 7,234 million. In a letter to shareholders, the company warned that because of a slowdown in demand both in France and abroad, and the general climate of uncertainty, business is likely to decline while operating costs continue to grow. Rhone-Poulenc Textile plans to substantially reduce output of certain synthetic fibers following a steady decline in orders, company sources said. Plans call for immediate cuts of between 20 and 30 percent in the production of polyamides and polyester fibers from 1975 levels and as much as 40 percent for acrylic fibers, the sources said. The company blamed the decline in orders on credit restrictions on buyers, who are being forced to use the large "precautionary" stocks made earlier this year in anticipation of price increases. Industry sources add that increased Japanese selling is also partly responsible for the production cutback.

Bonn Limits
Sale of Bills
To Foreigners

Notes of Under 4 Years
Subject to New Rules

BONN, Oct. 9 (AP)—The Finance Ministry said today that the indirect sale of government promissory notes to foreigners will in future be limited to notes of more than four years' maturity. The ministry said that with this decision the same rule will cover the notes as applies to other fixed-interest securities. A ministry official disclosed last week that the government had sold more than 500 million Deutsche marks of notes since Sept. 11 to West German banks, which were then free to place them with foreigners. Earlier in September the Cabinet eased certain restrictions on foreign borrowings by Germans. For the past several years, government notes had carried a warning that they could not be purchased legally by foreigners. This warning was dropped following last month's cabinet meeting.

The Bundesbank opposed the indirect foreign borrowing used to finance the federal budgetary deficit, claiming it would bring unwanted foreign currency into the country and might undermine the central bank's tight money policy. It contended the government notes should be treated as fixed-interest securities with a duration of four years or less, which still are barred to foreigners despite the Sept. 11 decision. The Finance Ministry has now agreed to this classification. Ministry sources said they believed the remaining budget deficit could be financed on the domestic capital market without resort to more indirect foreign borrowing. The sources said today's decision matched the wishes of the Bundesbank, whose vice-president, Oskar Emminger, met here yesterday with Finance Ministry officials. The sources said, however, that the government was acting voluntarily in accepting the new classification of its notes. They said the classification was not required by law.

Notes involved in the foreign borrowing reportedly carried an interest rate fractionally over 10 percent and had a duration of two to four years. The sources said today's decision matched the wishes of the Bundesbank, whose vice-president, Oskar Emminger, met here yesterday with Finance Ministry officials. The sources said, however, that the government was acting voluntarily in accepting the new classification of its notes. They said the classification was not required by law.

FINANCIAL NEWS AND NOTES

Bougainville Agreement Detailed

Bougainville Copper will pay the Papua New Guinea government an extra \$85 million (Australian) in revenue this year, under all its tax privileges and pay an excess profits tax designed to limit it to a 15 percent return on its investment. Under the terms of a new agreement, reached after six months of negotiations, a 70-percent excess profits tax will become operative at a figure of \$897.2 million. Profits below that level will be taxed at the standard rate of 33 1/3 percent. The agreement ends Bougainville's tax privileges, which were to extend until 1978-79 under an agreement signed in 1967. The agreement also revokes accelerated depreciation tax provisions that could have delayed tax payments, and closes a loophole that allowed the company to exclude 20 percent of its income from tax calculations. The company will no longer be exempt from normal import duties, stamp duties, vehicle registration fees and other similar charges. When the agreement comes before the Cabinet for approval next week, ministers will be asked to consider government control on the company's business advisory services, a guarantee that no new mines will be developed without local approval and veto power for government directors over company grants and donations. Government officials estimate the new package is worth \$850 million to \$950 million over the next 10 years, depending on copper prices.

Xerox Offers to Settle FTC Complaint

The U.S. Federal Trade Commission is considering an offer by Xerox to settle the agency's anti-trust complaint. Under the terms of the

agreement, Xerox would be required to make available certain existing technology on its office copier products to its U.S. patent licensees, excluding IBM, for five years and for U.S. use only. Xerox would also be required to make certain modifications in its volume discount pricing policies. But it would not be required to make any changes in its sales price policy, leased equipment servicing policy or relationship with its subsidiaries and affiliates including Rank-Xerox and Fuji-Xerox. Xerox had initially challenged the FTC's 1973 charges that the company has monopolized the office copier machine industry and had rejected an early opportunity to settle the case. But the FTC now says the complaint "has been withdrawn from adjudication" to allow consideration of "a proposed consent order." There was no hint why the company decided to abandon its fight, which with court appeals could have taken up to five years. It will probably be at least a month before the FTC decides whether to accept or reject the proposed settlement. The 1973 complaint charged that Xerox has dominated the office-copier industry by engaging in unfair market and patent practices and by foreclosing its foreign affiliates from competing with Xerox at home.

Philips Gets 85 % of Magnavox

North American Philips has acquired at least 85 percent of Magnavox Co.'s 18 million outstanding shares for \$9 each. North American's tender offer—which was extended three times—expired Tuesday. The U.S. Justice Department is still studying the possibility of anti-trust violations in the take-over. Philips—a diversified pharmaceutical and electronics firm—is 61 percent owned by N.V. Philips, of the Netherlands.

Omissions Outscore President's 10 Points

Ford's Economic Program: An Analysis

By Hobart Rowen

WASHINGTON, Oct. 9 (WP)—President Ford's economic program is more notable for its omissions than for the 10 points the President proposed to "put our... economic house in order."

For all the talk about the need to cut energy consumption, the President not only ducked the politically-sensitive issue of gasoline taxes, but shielded away from mandatory conservation measures in favor of the same old batch of voluntary suggestions. To raise revenues, the President failed to ask Congress to plug some of the outrageous loopholes that favor special interests, but proposed to sock a 5 percent tax surcharge on middle and upper income groups.

In this way people who have been paying their fair share of taxes all along are asked to pay even more, which is not the right

approach as long as the whole tax system is distorted by loopholes. But the most serious omission of all is the absence of any plan to deal vigorously and directly with the key economic problem of the moment, the festering wage-price spiral.

As Mr. Ford surely must know, labor leaders who kept wage demands at a moderate level for a year or more can no longer do so because of the raging inflation. The explosion in the cost of living will force a new wage-price spiral unless something is done about it.

Yet President Ford not only failed to equip his new council on wage and price stability with real powers or with suggested wage-price guidelines—he even failed to ask business and labor not to raise prices and wages to unconscionable levels.

The President apparently followed the advice of those like former Treasury Secretary George Shultz, who warned Mr. Ford at the summit meetings not to "take it easy."

"This program," said the current Treasury Secretary, William Simon, "is aimed at minimizing government controls."

So for the time being ideology has won out again, and the public will suffer with high inflation rates. How long will be public be patient? Having rejected the help of direct action in restraining wages and prices, the President could not take any initiative action to get the country moving out of recession. At least the policy is consistent: Mr. Ford offers no dramatic initiatives against either the inflationary or the recessionary side, which means that the nation will continue to suffer from "stagflation."

The cost of this deficiency can be seen not only in the weak program of tax relief to the poor (most was already in the works in the House Ways and Means Committee), but in a pallid version of the Jacob Javits-Arthur Burns public service jobs proposals. During the summit sessions, Economic Council chairman Alan Greenspan, who pulls no punches in his economic analyses, said the economy would suffer higher

unemployment and a no-growth pattern for a year. He warned that it would take up to three years to subdue inflation.

Even more starkly, former Economic Council chairman Walter Heller and his associate, George Perry, speak in the Minneapolis National City Bank letter of a 1974-75 "policy-induced recession" (that) will be the longest and most costly one we have suffered since the Great Depression."

Measured against economic problems of this magnitude, President Ford's program has to be rated a disappointment.

Dollar's Sharp Dip in Europe
Called Reaction to Ford Plan

LONDON, Oct. 9 (AP)—The dollar declined sharply against all major European currencies today, reflecting a mixture of disappointment over President Ford's economic proposals and a decline in dollar interest rates. The dollar dropped almost 5 pence against the mark to 2.56. The Bundesbank bought a token \$5 million at the Frankfurt afternoon foreign exchange fixing of 2.589. But after the central bank retired from the market, the dollar continued to slide, closing at 2.56. Selling of dollars started early in the day partly because Euro-dollar rates fell sharply. For

Turnover Rises to 19 Million

Dow Index Soars by 28
In N.Y. Spending Spree

NEW YORK, Oct. 9 (AP)—The Dow Jones industrial average scored a 28-point advance today—the highest rise in more than a year—as investors went on a spending spree on the New York Stock Exchange.

Volume soared to 18.82 million shares from yesterday's 15.46 million, while advancing issues totaled 1,211 against only 266 stocks that declined.

The Dow average ended the day at \$113.03, up 28.38. It was the biggest daily rise in the average since May 24, last year, when it advanced 29.42 points.

Many market analysts and brokers were mystified by the sharp upturn and gave a variety of possible explanations. The market gave a negative response initially to President Ford's program delivered yesterday.

But some analysts said that perhaps a second reading of Mr. Ford's address may have given investors the hope that they now have an administration willing to do battle with one of the worst enemies of the stock market—inflation.

Other analysts took a different view, saying the surge was the result of technical factors stemming from a deeply oversold condition. Prices climbed sharply in light trading on the American Stock Exchange. The Amex index rose 2.30 to 65.54.

On the over-the-counter market the NASDAQ industrial average rose 1.79 to 56.93.

Bonds closed mixed after trading down sharply during the morning, reflecting widespread disappointment with President Ford's economic message, but Treasury bills were weak throughout the session. Corporate bonds rallied strongly after dropping by as much as 1/2 point in early dealings, with the market apparently buoyed by the good investor reception of several recent new issues. The government coupon mar-

ket, however, remained depressed by the lack of market accommodation contained in Mr. Ford's speech and, by the close, losses of 1/8 point were common.

Treasury bills remained weak throughout the day, jumping by as much as 40 basis points in yield. Dealers said that the increase in bills on offer at this week's auction had helped to relieve the recent severe shortage.

Conditions elsewhere in the money market were somewhat easier, with federal funds dropping progressively lower through the day.

Funds were closing in the 5 to 8-per-cent range, after opening around 10 per cent despite the fact that the Federal Reserve tried to drain liquidity twice during the session via two rounds of repurchase agreements.

Dealers said that there was little of significance behind today's closing levels, however, as there are often some violent distortions on a Wednesday—statement day—which the Fed cannot always control.

In Chicago, farm commodity futures under heavy selling pressure the last two sessions with limit declines in all the major pits, turned around under a strong demand and closed sharply higher on the Board of Trade.

U.S. Aides Call
Franklin Failure
A Unique Case

NEW YORK, Oct. 9 (AP)—The biggest bank failure in the nation's history does not mean other collapses are looming in the United States, federal officials say.

New York's Franklin National Bank, once the nation's 20th largest commercial bank, was declared insolvent yesterday and most of its operations were sold to a New York bank owned by six of Europe's biggest banks.

"It would be a mistake to view this incident as one generally shared by the banking industry," said Frank Wille, chairman of the Federal Deposit Insurance Corp., which was named as receiver for Franklin.

"At the present time, there is no bank in the \$1-billion-or-over size category in the predicament that Franklin is in today," Mr. Wille said.

"There are other problems, but nothing of the magnitude and severity of Franklin." He said bank regulators are watching a number of banks with up to \$30 million in deposits for signs of developing troubles, but "that list has remained very stable."

"Franklin's problems were rooted in earnings problems over the years which were exacerbated and exaggerated by foreign exchange losses in May," he said.

ALEXANDER FUND S.A.

Société Anonyme
Headoffice: Luxembourg, 37, rue Notre-Dame
Trade Register: Luxembourg B 7635

is hereby given to shareholders that an Extraordinary General

Meeting of the above-named Company will be held at 3.00 p.m. on

Monday, 28th October, 1974 at 37 rue Notre-Dame, Luxembourg,

following Agenda:-

AGENDA

1. To approve an Agreement dated 21st August, 1974 made in First Investors International Mining and Petroleum Fund First Investors") and the Company by which:-
a) Investors will purchase for cash and/or subscribe in cash of the Company having an aggregate Net Asset Value equal to one of the total consolidated assets (less an amount sufficient to all the liabilities) of First Investors and of First Investors International Mining and Petroleum Realisations S.A., at a price of the Net Asset Value per share of the Company determined on the date of the latest of the Meetings (or any adjournments) convened by the Company and First Investors for the purpose of giving the said Agreement as if such date were a Valuation date as defined in the Articles of Incorporation of the Company);

2. First Investors will transfer to the Company its portfolio of assets for a consideration in cash equal to the value (determined on the date of the said Valuation) of the securities so transferred.

3. To confirm for a further period of five years from the date of the said Valuation, given by the shareholders in the General Meeting on 1st July, 1968 for the Board of Directors to increase the capital of the Company to U.S. \$5,000,000 by issuing additional shares of a par value of U.S. \$1 per share together with such an amount as the Board may determine, provided that the shares are issued at a price below Net Asset Value per share (as defined in the Company's Articles of Incorporation).

4. Shareholders are advised that an Extraordinary Meeting had convened for 18th September which had to be adjourned for lack of a quorum. At this meeting there will be no quorum requirement. In accordance with Luxembourg law, the Resolutions to be adopted at the Extraordinary General Meeting and at any adjournment thereof will require the concurrence of the holders of two-thirds of the total number of shares represented at the Meeting, provided that the total number of shares represented at the Meeting is not less than 25 per cent of the total number of shares in issue. The Meeting will be held at 3.00 p.m. on Friday, 25th October, 1974, at the offices of the Company at 37 rue Notre-Dame, Luxembourg. Share certificates which have been deposited with the Company for the purpose of the meeting of September will be retained until the Meeting or any adjournment thereof has been concluded.

Holders of Registered Shares who are registered as Shareholders in the Register of the Company as at the date of the Meeting may vote at the Meeting in person or by proxy. Forms of proxy will be sent to interested shareholders. For and on behalf of ALEXANDER FUND S.A. The Board of Directors.

4:20th September, 1974.

Company Reports

Allied Chemical			
Third Quarter	1974	1973	
Revenue (millions)...	397.8	408.1	
Profits (millions)...	45.36	21.53	
Per Share	1.63	0.78	
Nine months			
Revenue (millions)...	1,041.0	1,229.0	
Profits (millions)...	124.38	71.77	
Per Share	4.49	2.60	
Brunswick Corp.			
Third Quarter	1974	1973	
Revenue (millions)...	186.2	159.2	
Profits (millions)...	8.50	7.78	
Per Share	0.46	0.45	
Nine months			
Revenue (millions)...	563.9	505.8	
Profits (millions)...	38.67	27.33	
Per Share	1.62	1.15	
Charter New York			
Third Quarter	1974	1973	
Revenue (millions)...	A 10.36	A 8.13	
Profits (millions)...	A 1.18	A 0.93	
Per Share	B 0.22	B 0.13	
Nine months			
Revenue (millions)...	A 29.99	A 22.82	
Profits (millions)...	A 3.43	A 2.72	
Per Share	B 0.59	B 0.44	
Cott Industries			
Third Quarter	1974	1973	
Revenue (millions)...	288.4	303.3	
Profits (millions)...	20.89	5.71	
Per Share	2.97	0.71	
Nine months			
Revenue (millions)...	843.5	831.5	
Profits (millions)...	55.52	17.82	
Per Share	7.85	2.22	
Crocker National			
Third Quarter	1974	1973	
Revenue (millions)...	A 9.04	A 8.37	
Profits (millions)...	A 0.83	A 0.84	
Per Share	B 0.05	B 0.05	
Nine months			
Revenue (millions)...	A 20.73	A 24.14	
Profits (millions)...	A 2.03	A 2.39	
Per Share	B 0.24	B 0.23	
International Paper			
Third Quarter	1974	1973	
Revenue (millions)...	311.56	302.2	
Profits (millions)...	80.61	36.54	
Per Share	1.82	0.83	
Nine months			
Revenue (millions)...	2,225.6	1,725.2	
Profits (millions)...	196.96	112.88	
Per Share	4.46	2.54	
Libbey-Owens-Ford			
Third Quarter	1974	1973	
Revenue (millions)...	164.2	158.0	
Profits (millions)...	8.47	11.4	
Per Share	0.87	0.92	
Nine months			
Revenue (millions)...	484.4	513.5	
Profits (millions)...	22.7	46.6	
Per Share	1.70	3.86	
Owens-Corning Fiberglas			
Third Quarter	1974	1973	
Revenue (millions)...	221.6	187.7	
Profits (millions)...	10.4	11.72	
Per Share	0.70	0.79	
Nine months			
Revenue (millions)...	622.0	536.1	
Profits (millions)...	36.67	35.26	
Per Share	1.93	2.38	

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In accordance with the terms of the guaranteed floating rate
notes issued on 8th October, 1974, the rate of interest for the
first interest period running from 8th October, 1974 to 8th April,
1975 has been fixed at 12 7/8 % p.a.

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Société Anonyme
as fiscal agent.

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par l'Etat français.

Conformément aux conditions des obligations à taux flottant
émises le 8 octobre 1974, le taux d'intérêt pour la première
période d'intérêt du 8 octobre 1974 au 8 avril 1975 a été
fixé à 12 7/8 % l'an.

Communiqué par
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Société Anonyme
L'agent financier.

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—1974— Stocks and High, Low, Div in 5 P/E					Sts. 100s. High Low Last, Chgs					—1974— Stocks and High, Low, Div in 5 P/E					Sts. 100s. High Low Last, Chgs					—1974— Stocks and High, Low, Div in 5 P/E					Sts. 100s. High Low Last, Chgs				
16	5	Goldstar	5	83	82	8	83			167	9	88	78 1/2	77 1/2	78 1/2	1 1/2		113 1/2	113 1/2	114	1	124	12 1/2	12 1/2					

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American Stock Exchange Trading

1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.	1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0

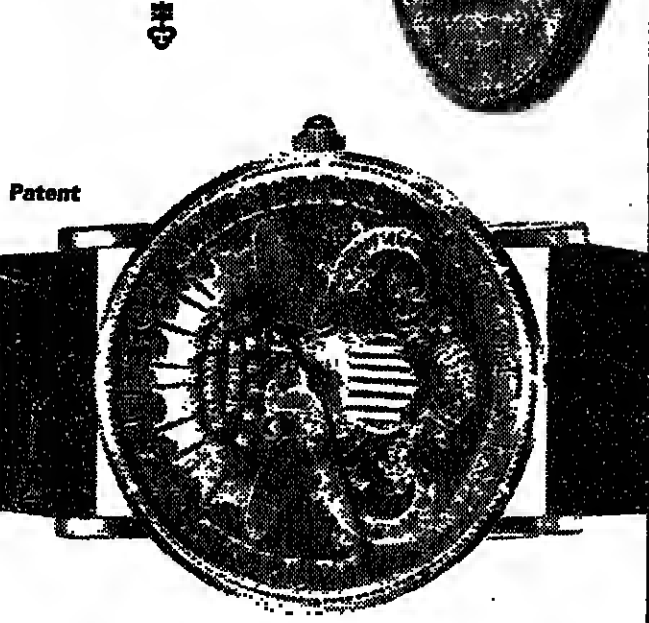
International Bonds Traded in Europe

1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.	1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0

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1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.	1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0

Weekly net asset value

1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.	1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0

Tokyo Pacific Holdings N.Y.

1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.	1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0

Listed on the Amsterdam Stock Exchange

1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.	1974- High, Low	Stocks and Div. in %	P/E	Stk. 100s	High	Low	Last	Chg.
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0
10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0	10 1/2	AAAR Co. 100	4	2	6 1/2	6 1/2	6 1/2	0

A possible "bear market rally" here would not impress Dines because the gold and oil problems are so deeply-rooted.

INFLATION

Inflation appears to be accelerating towards its final phases, and all indications have been pointing in that direction for some time. The DINES LETTER does not see how those on relatively fixed incomes can possibly be consuming as much as they did a year ago—unless they are cutting back on their expenditures. "Economic" is not a word that can be used to describe the current situation. It is a word that is used to describe a situation that is not a crisis. It is a word that is used to describe a situation that is not a crisis.

MONETARY CRISIS

Repeated monetary crises in the last decade were warnings. In the DINES LETTER's opinion, that Washington was not coping with the problem. Find out why the DINES LETTER actually believes that the inflation is not a crisis. Find out why the DINES LETTER actually believes that the inflation is not a crisis. Find out why the DINES LETTER actually believes that the inflation is not a crisis.

LOW P/E's

Low P/E ratio individuals do not impress the DINES LETTER because, in their opinion, 1974 earnings are not a true reflection of the company's value. The DINES LETTER actually believes that the inflation is not a crisis. Find out why the DINES LETTER actually believes that the inflation is not a crisis. Find out why the DINES LETTER actually believes that the inflation is not a crisis.

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PLUS: A special feature, "What would happen if Americans were allowed to own gold?" Again, there really are gold left in Fort Knox? ALSO: A new feature on low price gold. See our specific charts of specific gold and silver shares. See our specific charts of specific gold and silver shares. See our specific charts of specific gold and silver shares.

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A special feature on 8 leading currencies, showing which are most backed by gold, and which are most backed by silver. The DINES LETTER actually believes that the inflation is not a crisis. Find out why the DINES LETTER actually believes that the inflation is not a crisis. Find out why the DINES LETTER actually believes that the inflation is not a crisis.

SWITZERLAND

FINALLY: A chart showing the value of gold and silver prices back to the fifteenth century, and why it strongly suggests that gold and silver are going higher. Also a special feature on how to start a gold coin collection in Switzerland, legally, which also gets money out of the country.

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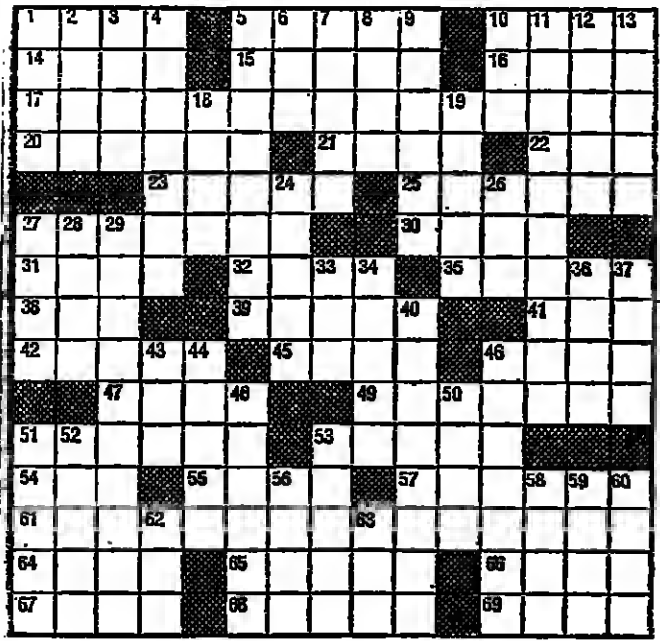
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THE DINES LETTER has

CROSSWORD

By Will Feng

- ACROSS**
- 1 Socials
5 O. T. book
10 Lady Macbeth's bane
14 Part of a French play
15 City of Turkey
16 Sea bird
17 "I am rich beyond the (E. Moore)
20 "and evening star..."
21 Seasons in Nantes
22 Kind of buoy
23 Concepts
25 Relatives
27 Painters' needs
28 New Delhi wear
31 Friend, in Quebec
32 Environmental unit
35 Katmandu's land
38 Spoil
39 Crane
41 Kind of detector
42 Piled up
45 Milne's Wrinia
46 Marshy areas
47 U. S. Indian
49 Sits for a new camera shot
51 Climbing peppers
- DOWN**
- 1 Little ones
2 Pale shade
3 Sun disk
4 Resort area
5 Learned fully
6 Swearing-in
7 Truck-drivers' stops
8 Medical study: Abbr.
9 Safe places
10 Indian weight
11 Yin and Yang, e.g.
12 Ready, as an actor
13 Certain years
18 Early Mid-easterner
19 flu
24 Composers' org.
26 Prior to
27 Tibetan title
28 Nurse, in Shanghai
29 Game-box reading matter
33 Coin of Macao
34 Fashion man and family
36 Senior, in France
37 More or
40 Take (refuse to testify)
43 Common verb
44 Biblical son of Elzer
46 Abstains from
48 Avoid
50 Cheater's helper
51 Enjoy the surf
52 Clear sky
53 Genus of geese
56 Other, in Granada
58 Bit of trickery
59 Feminine suffix
60 "Ilacs last in the..."
62 Employ
63 Month: Abbr.



WEATHER

	C	F		C	F		
ALGERIA	19	66	Cloudy	MADRID	17	63	Clear
AMSTERDAM	10	50	Sunny	MILAN	38	100	Cloudy
ANKARA	23	73	Clear	MOSCOW	18	64	Sunny
ATHENS	23	73	Cloudy	TOSROW	18	64	Sunny
BEIRUT	19	66	Cloudy	MUNICH	7	44	Cloudy
BELGRADE	14	57	Cloudy	NEW YORK	17	63	Clear
BERLIN	11	52	Rain	NICE	10	50	Cloudy
BRUSSELS	12	52	Overcast	OSLO	10	50	Cloudy
DALAPAST	10	50	Cloudy	PARIS	12	52	Cloudy
HAARLEM	10	50	Cloudy	PRAGUE	10	50	Cloudy
CASABLANCA	29	84	Cloudy	ROME	28	82	Sunny
COPTENTHAGEN	9	48	Cloudy	SOFIA	18	64	Cloudy
COSTA DEL SOL	22	72	Sunny	ST. PETERSBURG	18	64	Sunny
DUBLIN	11	52	Cloudy	TEHRAN	20	68	Clear
EDINBURGH	11	52	Cloudy	TEL AVIV	26	78	Clear
FLORENCE	14	57	Cloudy	VIENNA	11	52	Cloudy
FRANKFURT	8	46	Rain	YENICIE	12	50	Cloudy
GENOVA	7	44	Rain	VIENNA	11	52	Cloudy
HELSINKI	3	46	Cloudy	WARSAW	10	50	Cloudy
ISTANBUL	29	84	Unavailable	WASHINGTON	18	64	Sunny
LA PALMIRA	27	81	Clear	ZERICH	6	41	Cloudy
LONDON	10	50	Cloudy				
LOS ANGELES	15	64	Clear				

(Yesterday's readings: Athens, S. Canada at 1900 GMT.; others at 1200 GMT.)

(Yesterday's readings: U.S., Canada at 1700 GMT; others at 1200 GMT.)

INTERNATIONAL FUNDS

ADVERTISEMENT

October 9, 1974

The net asset value quotations shown below are supplied by the Funds listed. The International Herald Tribune cannot accept responsibility for them. Following marginal symbols indicate frequency of quotations supplied for the FHE: (d)—daily; (w)—weekly; (r)—regularly; (i)—irregularly.

(w) Alexander Fund	\$4.34	(w) JARDINE FLEMING:	\$43.00
(d) Am. Express Int'l Fd.	\$5.33	(r) Jardine East. Trust	\$50.75
(w) ANIMOR BANQUE S.A.:		(r) Jardine Japan Fund	\$50.75
(d) Global	\$F44.00	(r) Jardine Selection Fd.	\$10.43
(w) Apollo (Temple) Sec. Pr.	\$F45.12	(d) JCB Income Fund	\$F1.396
(w) Apollo Fund A	\$F45.12	(w) Kleinwort Benson Int'l Fd.	\$F1.396
(w) Apollo Fund B	\$F45.12	(w) Kleinwort Bond Fd.	\$F1.396
(w) Apollo Fund C	\$F45.12	(w) Leveraged Cap. Fd.	\$F1.396
(w) Apollo Fund D	\$F45.12		
(w) Apollo Fund E	\$F45.12		
(w) Apollo Fund F	\$F45.12		
(w) Apollo Fund G	\$F45.12		
(w) Apollo Fund H	\$F45.12		
(w) Apollo Fund I	\$F45.12		
(w) Apollo Fund J	\$F45.12		
(w) Apollo Fund K	\$F45.12		
(w) Apollo Fund L	\$F45.12		
(w) Apollo Fund M	\$F45.12		
(w) Apollo Fund N	\$F45.12		
(w) Apollo Fund O	\$F45.12		
(w) Apollo Fund P	\$F45.12		
(w) Apollo Fund Q	\$F45.12		
(w) Apollo Fund R	\$F45.12		
(w) Apollo Fund S	\$F45.12		
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Art Buchwald

Trial Balloons

WASHINGTON—Deep in the heart of the White House, far from the prying eyes of the public and press, is one of the most important rooms in the government. It is the place where they blow up the trial balloons which are floated by the Ford administration.



Buchwald

The room was very long—the size of a football field—and divided into workbenches. On each bench was seated a member of the administration or friend of President Ford blowing up large, funny-shaped balloons.

They were so busy with their work that they didn't notice me. "Say," I said to my source, "isn't that Mel Laird blowing a balloon over there?"

"Yes," he replied, "the balloon he's blowing up has to do with gas rationing. He tried to float it last week, but it didn't fly."

"So he's going to send it up again?"

"He'll probably try it once more in a different shape and, if it's shot down this time, he'll go on to something else."

"Buy, you have to have a lot of air to blow up one of those balloons," I said.

"Mel does. He probably has floated more trial balloons than anyone in the Ford kitchen cabinet."

"How does he do it?" I asked.

"Well, he meets with the President and they decide what trial balloon Mr. Ford wants to send up.

"Let's say the President is thinking about gas rationing but he doesn't know if the public will go for it. So he tells Laird to send up a balloon and see the reaction. Laird comes down here and starts blowing."

"And then he sends it up?" I asked.

"Not really. He has to sell it to somebody. If he sends it up himself, nobody would take the balloon seriously. So he calls up Evans and Novak and says, 'The President is going to institute gas rationing.'"

"And Evans and Novak buy it?"

"Every time," my source said. "They float it in their column and then we wait for congressional and press reaction. If it's negative, the President orders Ron Nessen to shoot the trial balloon down by denying he has any intention of rationing gas."

"Doesn't Laird get angry after blowing up one of those balloons to see it shot down?"

"Reck, no. He works for the Reader's Digest, and this gives him something to do."

"Isn't that Secretary of the Treasury Bill Simon over there?"

"He's blowing up a trial balloon as a surprise on Oct. 10. He'll probably float it at a chamber of commerce dinner in Chicago tonight."

"Who are all those people sticking pins in the balloon that Simon is blowing up?"

"They're Arthur Burns, Alan Greenspan, Roy Ash and Paul McCracken. When it comes to the economy, all Mr. Ford's economic advisers do is stick pins in each other's trial balloons."

"Are my eyes deceiving me," I said, "or did Henry Kissinger just walk in?"

"Henry's here quite a bit," my source said. "He just floated a balloon last week on getting tough with the oil-producing countries and it landed with a thud. I guess he wants to take some new balloons with him to the Middle East."

"Look," I said excitedly, "there's Sen. Hugh Scott."

"The Nixon people used him to launch all their trial balloons on Watergate and he's still trying to get back his second wind."

Telephoto view of a cluster of Kleinergärten in Hannover.

Keeping Germany Green

By Elisabeth Piper

HANNOVER (DEU).—Almost every German city has Kleinergärten (small garden colonies) protected by 110 years of tradition and a law dating from 1919 which provides for compensation—usually new land—if the gardener is evicted.

No German government has ever touched that law although many city governments would like to since the Kleinergärten occupy valuable building land. Some city governments are trying to get the law amended, but with active ecologists on the scene, it is not likely that drastic changes will occur.

The idea, at least, will be carried on—the idea of a German doctor, who, in 1884, was concerned by industrialization and the workers' "losing touch with the soil." Dr. Daniel Schreber organized clubs that helped members rent small plots of land in cities cheaply. Nicely kept gardens with cabins or small houses (it's illegal to live in them), have dotted German cities ever since.

Hannover has taken the lead in space devoted to Kleinergärten—2 per cent of its area is covered by the gardens compared to the 43 and 4 per cent of Dortmund and Berlin.

If Kleinergärten are taken over by cities, the gardeners are given new lots near residential areas, important because the gardens need daily care.

But all attempts to reduce the number of colonies meet stiff resistance from the gardeners, who are generally friendly people who offer the passersby some of their roses.

A weekend gardener tends his plot.

Elisabeth Piper.



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